

APN 23-310-31

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Givens Pursley LLP
277 North 6th Street, Suite 200
Boise, Idaho 83702
Attn: Kelly Greene McConnell

Bank File No.:
Reference No.:

Title # 02342

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**DEED OF TRUST WITH SECURITY AGREEMENT
ASSIGNMENT OF RENTS AND FIXTURE FILING
(Douglas County, Nevada)**

[THIS DEED OF TRUST SECURES FUTURE ADVANCES]

THIS DEED OF TRUST AND SECURITY AGREEMENT ("Deed of Trust") is made as of the 3rd day of December, 1999 by BMC West Corporation, a Delaware Corporation, having its principal office at One Market, Steuart Street Tower, San Francisco, CA 94105 ("Trustor") and Western Title Company, with an address at 1626 Highway 395, Minden, Nevada, 89423, as trustee ("Trustee"), for the benefit of Bank of America, N.A., with an address of 555 California St., 41st Floor, Mailcode CA5-705-41-89, San Francisco, CA 94104, attn: Diversified Industries #9994 (the "Agent"), individually and as agent for the banks which are or may become parties to that certain Credit Agreement (as hereinafter defined) (the "Banks") (Agent is sometimes referred to as "Beneficiary").

1. Grant in Trust and Secured Obligations

1.1 Grant in Trust. For the purpose of securing payment and performance of the Secured Obligations defined and described in Section 1.2, Trustor hereby irrevocably and unconditionally grants, bargains, sells, conveys, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title and interest which Trustor now has or may later acquire in and to the following property (all or any part of such property, or any interest in all or any part of it, as the context may require, the "Property"):

(a) The real property located in the County of Douglas, State of Nevada, as described in Exhibit A, together with all existing and future easements and rights affording access to it (the "Land"), together with

(b) All buildings, structures and improvements now located or later to be constructed on the Land, including all Equipment as hereinafter defined (the "Improvements"); together with

(c) All existing and future appurtenances, privileges, easements, franchises and tenements of the Land, including all minerals, oil, gas, other hydrocarbons and associated substances, sulphur, nitrogen, carbon dioxide, helium and other commercially valuable substances which may be in, under or produced from any part of the Land, all development rights and credits, air rights, water, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) and water stock, and any land lying in the streets, roads or avenues, open or proposed, in front of or adjoining the Land and Improvements; together with

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(d) All existing and future leases, subleases, subtenancies, licenses, occupancy agreements and concessions ("leases") relating to the use, enjoyment, occupancy or possession of all or any part of the Land, Improvements or Equipment, including cash and securities deposited thereunder to secure performance by the tenants of their obligations thereunder, and any and all guaranties and other agreements relating to or made in connection with any of such leases; together with

(e) All real property and improvements on it, and all appurtenances and other property and interests of any kind or character, whether described in Exhibit A or not, which may be reasonably necessary or desirable to promote the present and any reasonable future beneficial use and enjoyment of the Land and Improvements; together with

(f) All goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, anti-pollution, incinerating, power, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communication machinery, apparatus, equipment, fittings, appliances and fixtures, and all engines, pipes, pumps, tanks, motors, conduits, ducts, compressors, elevators and escalators, and all articles of personal property and goods of every kind and nature whatsoever, including all shades, awnings and carpets now or hereafter affixed to, attached to the Land or Improvements and plumbing fixtures and equipment (collectively the "Equipment"), all of which shall be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; together with

(g) All building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, which have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; together with

(h) All rights to the payment of money, accounts, accounts receivable, reserves, deferred payments, refunds, cost savings, payments and deposits, whether now or later to be received from third parties (including all earnest money sales deposits) or deposited by Trustor with third parties (including all utility deposits), contract rights, development and use rights, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, notes, drafts and letters of credit (other than letters of credit in favor of Beneficiary), which arise from or relate to construction on the Land or to any business now or later to be conducted on it, or to the Land and Improvements generally; together with

(i) All proceeds, including all claims to and demands for them, of the voluntary or involuntary conversion of any of the Land, Improvements or the other property described above into cash or liquidated claims, including all proceeds of any insurance policies, present and future, payable because of loss sustained to all or part of any Property, whether or not such insurance policies are required by Beneficiary, and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including causes of action arising in tort, contract, fraud or concealment of a material fact; together with

(j) All books and records pertaining to any and all of the property described above, including computer-readable memory and any computer hardware or software necessary to access and process such memory ("Books and Records"); together with

(k) All proceeds of, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

Capitalized terms used above and elsewhere in this Deed of Trust without definition have the meanings given them in the Credit Agreement referred to in subsection 1.2(a) below.

1.2 Secured Obligations. Trustor makes the grant, conveyance, transfer and assignment set forth in Section 1.1, makes the irrevocable and absolute assignment set forth in Article 2, and grants the security interest set forth in Article 3 for the purpose of securing the following obligations (collectively the "Secured Obligations") in any order of priority that Beneficiary may choose:

(a) Payment of all obligations at any time owing under that Credit Agreement dated as of November 30, 1999, ("Credit Agreement") owed by Trustor in the stated principal amount of *Two Hundred Twenty-Five Million Dollars* (\$225,000,000.00) to the Banks and bearing a final maturity of December 7, 2004; and

(b) Payment and performance of all obligations of Trustor under this Deed of Trust; and

(c) Payment and performance of all obligations of Trustor under any of the other "Loan Documents" as defined in the Credit Agreement; provided that this Deed of Trust does not secure any Loan Document or any provision in any Loan Document that is expressly stated to be unsecured; and

(d) Payment and performance of all future advances and other obligations that Trustor or any successor in ownership of all or part of the Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when a writing evidences the parties' agreement that the advance or obligation be secured by this Deed of Trust; and

(e) Payment and performance of all modifications, amendments, extensions and renewals, however evidenced, of any of the Secured Obligations, including; (i) modifications of the required principal payment dates or interest payment dates or both; (ii) deferring or accelerating payment dates; and (iii) modifications, extensions or renewals at a different rate of interest whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes; and

(f) Payment and performance of any and all other indebtedness, liabilities and other obligations, whether now existing or hereafter arising, of the Trustor to the Agent or any Affiliate thereof.

All persons who may have or acquire an interest in all or any part of the Property will be considered to have notice of, and will be bound by, the terms of the Secured Obligations and each other agreement or instrument made or entered into in connection with each of the Secured Obligations, including any terms or provisions which state that the interest rate on one or more of the Secured Obligations may vary from time to time.

In addition to certain other Loan Documents, Trustor has executed an Environmental and Hazardous Substance Indemnity Agreement (the "Indemnity Agreement") in connection with the Credit Agreement. Notwithstanding any other provision of this Deed of Trust, any other Loan Document, or the Indemnity Agreement, this Deed of Trust does not secure (i) any obligations under the Indemnity Agreement or (ii) any obligations under this Deed of Trust or any Loan Document that are substantially equivalent to the obligations arising under the Indemnity Agreement, and none of these unsecured obligations shall be included in the term "Secured Obligations."

2. Assignment of Rents

2.1 Assignment. Trustor hereby irrevocably, absolutely, presently and unconditionally assigns to Beneficiary all rents, royalties, issues, profits, revenue, income and proceeds of the Property, whether now due, past due or to become due, including all prepaid rents and security deposits (some or all collectively, as the context may require, "Rents").

THIS IS AN ABSOLUTE ASSIGNMENT, NOT AN ASSIGNMENT FOR SECURITY ONLY.

2.2 Grant of License. Beneficiary hereby confers upon Trustor a license ("License") to collect and retain the Rents as they become due and payable, so long as no Event of Default, as defined in Section 6.1, shall exist and be continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Trustor, and without regard to the adequacy of Beneficiary's security under this Deed of Trust.

2.3 Collection and Application of Rents. Subject to the License granted to Trustor under Section 2.2, Beneficiary has the right, power and authority to collect any and all Rents. Trustor hereby appoints Beneficiary its attorney-in-fact to perform any and all of the following acts, if and at the times when Beneficiary in its sole discretion may so choose:

- (a) Demand, receive and enforce payment of any and all Rents; or
- (b) Give receipts, releases and satisfactions for any and all Rents; or
- (c) Sue either in the name of Trustor or in the name of Beneficiary for any and all Rents.

Beneficiary's right to the Rents does not depend on whether or not Beneficiary takes possession of the Property as permitted under subsection 6.2(c). In Beneficiary's sole discretion, Beneficiary may choose to collect Rents either with or without taking possession of the Property. Beneficiary shall apply all Rents collected by it in the manner provided under Section 6.5. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted under Section 1.1 and subsection 6.2(g).

2.4 Beneficiary Not Responsible. Under no circumstances shall Beneficiary have any duty to produce Rents from the Property. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Land and Improvements, Beneficiary is not and shall not be deemed to be:

- (a) A "mortgagee in possession" for any purpose; or
- (b) Responsible for performing any of the obligations of the lessor under any lease; or
- (c) Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair or control of the Property; or
- (d) Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it, except for any claims, demands or liabilities arising from the willful misconduct or gross negligence of Beneficiary.

2.5 Leasing. Trustor shall not accept any deposit or prepayment of Rents for any rental period exceeding one (1) month without Beneficiary's prior written consent. Trustor shall not lease the Property or any part of it except strictly in accordance with the Credit Agreement. Trustor shall apply all Rents in the manner required by the Credit Agreement.

2.6 Notice. All lessees under the Leases are hereby irrevocably authorized and notified by Trustor to rely upon and to comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rent or other sums which may become due under the Leases or for the performance of their undertakings under the Leases. The lessees shall have no right or duty to inquire as to whether any Event of Default has actually occurred or is then existing hereunder. Trustor hereby waives any rights, claim or demand which Trustor may now or hereafter have against any lessee by reason of such payment of Rents to Beneficiary. Trustor agrees that any such payment shall discharge the lessee's obligation to make such payment to Trustor.

2.7 Proceeds. Beneficiary shall have the right to apply all amounts received by it pursuant to the assignment granted in this Article 2 to pay any of the following amounts and in such order as Beneficiary shall deem appropriate: (a) the Secured Obligations; (b) all expenses of the Property, including the salaries, fees, commissions and wages of a managing agent and such other employees, agents or independent contractors as Beneficiary deems necessary or desirable; (c) all taxes, charges, claims, assessments, or any other liens against the Property; (d) all premiums for all insurance Beneficiary deems necessary or desirable; (e) the cost of alterations, renovations, repairs or replacements; and (f) all expenses incident to taking and retaining possession of the Property. Neither the demand for nor collection of Rents by Beneficiary shall constitute any assumption by Beneficiary of any obligation under any Lease. Beneficiary is obligated to account only for such Rents as are actually collected or received by Beneficiary.

3. Grant of Security Interest

3.1 Security Agreement. The parties intend for this Deed of Trust to create a lien on the Property, and an absolute assignment of the Rents, all in favor of Beneficiary. The parties acknowledge that some of the Property and some or all of the Rents may be determined under applicable law to be personal property or fixtures. To the extent that any Property or Rents may be or be determined to be personal property, Trustor as debtor hereby grants Beneficiary as secured party a security interest in all such Property and Rents, to secure payment and performance of the Secured Obligations. This Deed of Trust constitutes a security agreement under the Nevada Uniform Commercial Code as enacted in the State of Nevada, Nevada Revised Statutes Chapters 104 and 104A, covering all such Property and Rents.

3.2 Financing Statements. Trustor shall execute one or more financing statements and such other documents as Beneficiary may from time to time require to perfect or continue the perfection of Beneficiary's security interest in any Property or Rents. Trustor shall pay all fees and costs that Beneficiary may incur in filing such documents in public offices and in obtaining such record searches as Beneficiary may reasonably require. In case Trustor fails to execute any financing statements or other documents for the perfection or continuation of any security interest, Trustor hereby appoints Beneficiary as its true and lawful attorney-in-fact to execute any such documents on its behalf. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall never be construed as in any way derogating from or impairing this Deed of Trust or the rights or obligations of the parties under it.

4. Fixture Filing

This Deed of Trust constitutes a financing statement filed as a fixture filing under Section 104.9402 of the Nevada Uniform Commercial Code, as amended or recodified from time to time, covering any Property which now is or later may become fixtures attached to the Land or Improvements.

5. Rights and Duties of the Parties

5.1 Representations and Warranties. Trustor represents and warrants that, except as previously disclosed to Beneficiary in a writing making reference to this Section 5.1:

(a) Trustor lawfully possesses and holds good and marketable fee simple title to all of the Land and Improvements and good and marketable title to all Property free and clear of all liens, charges, encumbrances and security interests whatsoever, except non-delinquent real property taxes and assessments and such other entitlements as may be approved by Beneficiary in writing. Trustor will forever warrant and defend its title to the Property, and the validity, enforceability, and priority of the lien and security interest created hereby, against the claims of all persons;

(b) Trustor (i) is duly organized, validly existing and in good standing under the laws of its state of organization or incorporation and qualified to do business in each jurisdiction where its activities require such authorization or qualification; (ii) is duly qualified to transact business and is in good standing in the state where the Property is located; and (iii) has all necessary approvals, governmental and otherwise, and full power and authority to own the Property and carry on its business as now conducted and proposed to be conducted;

(c) Trustor has the full and unlimited power, right and authority to grant this Deed of Trust and to encumber the Property and assign the Rents;

(d) This Deed of Trust creates a first and prior lien on the Property and each of the Loan Documents have been duly executed and delivered by Trustor and constitutes the legal, valid and binding obligation of Trustor, enforceable in accordance with its terms, except as limited by bankruptcy, reorganization, insolvency or similar laws relating to creditors' rights generally and general principles of equity;

(e) The Property includes all property and rights which may be reasonably necessary or desirable to promote the present and any reasonable future beneficial use and enjoyment of the Land and Improvements;

(f) The Property and Improvements are not located in an area identified by the Secretary of Housing and Urban Development, or any successor thereof, as an area having special flood, mudslide, and/or flood-related erosion hazards pursuant to the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as amended, or any successor law, or, if any portion of the Improvements is located within any such area, Trustor has obtained and will maintain the insurance required by Beneficiary; and

(g) The Property, and the present and contemplated uses and occupancy thereof, are in full compliance with all applicable zoning ordinances, building codes, land use, and other similar laws, including the Americans With Disabilities Act of 1990, as amended from time to time (42 U.S.C. Section 12101 et. seq.). All certificates of occupancy and other licenses, permits and other authorizations required by applicable law for the existing use of the Property are valid and in full force and effect;

(h) The Property is served by all required utilities; all public roads and streets necessary to serve the Land and Improvements have been completed, are serviceable in all weather, and, where required by the appropriate governmental entities, have been dedicated to and formally accepted by such governmental entities;

(i) Except as otherwise disclosed in writing to the Beneficiary and approved by the Beneficiary, the Property is in good repair and is free and clear from damage caused by fire or other casualty;

(j) There are no mechanics' or similar liens or claims which have been filed for work, labor or material (and no rights are outstanding that under law could give rise to any such liens) affecting the

Property which are or may be prior to or equal in priority to the lien of this Deed of Trust;

(k) All taxes and governmental assessments, insurance premiums, water, sewer and municipal charges, and ground rents, if any, that are due and owing as of the date hereof have been paid;

(l) There is no homestead or other exemption available to the Trustor which would materially interfere with the right to sell the Property at a trustee's sale or the right to foreclose this Deed of Trust; and

(m) The information, financial statements and other financial data furnished to the Banks with respect to the Property, or to the Beneficiary, by Trustor or any other obligor or guarantor of all or any portion of the Secured Obligations, are accurate, correct and complete in all material respects.

5.2 Taxes and Assessments. Trustor shall pay, subject to any extent of nonpayment thereof permitted by subsection 7.07(a) of the Credit Agreement, prior to delinquency all taxes, levies, charges and assessments, including assessments on appurtenant water stock, imposed by any public or quasi-public authority or utility company which are (or if not paid, may become) a lien on all or part of the Property or any interest in it, or which may cause any decrease in the value of the Property or any part of it. If any such taxes, levies, charges or assessments become delinquent, Trustor shall within ten (10) days after receipt of written request therefore from Beneficiary, present evidence to Beneficiary that the taxes, levies, charges or assessments have been paid in full.

5.3 Performance of Secured Obligations. Trustor shall promptly pay and perform each Secured Obligation in accordance with its terms.

5.4 Leases, Liens, Charges and Encumbrances.

(a) Leases. Trustor shall not (i) execute an assignment or pledge of the Rents and/or the Leases other than in favor of Beneficiary; or (ii) during the existence of an Event of Default accept any prepayment of an installment of any Rents more than one (1) month prior to the due date of such installment. Trustor shall not, without the prior written consent of Beneficiary, (i) amend, modify or consent to the surrender of any lease during the existence of an Event of Default without Beneficiary's written consent, (ii) during the existence of an Event of Default make any lease or other leases unless approved in writing by Beneficiary, it being the express understanding of Beneficiary and Trustor that, unless waived in writing by Beneficiary, during the existence of an Event of Default Beneficiary shall have the right to approve all terms and conditions of each lease, which approval shall not be unreasonably withheld, conditioned or delayed.

(b) No Other Financing or Liens. Except as permitted by the Loan Documents, without the prior written consent of Beneficiary, Trustor shall not enter into any lease for any personal property as lessee which is to be used in connection with the operation of Trustor's business at the Property or create or cause or permit to exist any lien on, or security interest in, whether voluntary or involuntary, any part of the Property, other than in favor of Beneficiary, for itself and the Banks.

(c) No Sale. Except as may be otherwise permitted by the Credit Agreement or this Deed of Trust, Trustor shall not sell, assign, give, mortgage, pledge, hypothecate, encumber, lease or otherwise transfer the Property or any part thereof or interest therein, voluntarily or involuntarily, without Beneficiary's prior written consent.

(d) Discharge of Liens. Trustor shall immediately discharge any lien on the Property which Beneficiary has not consented to in writing. Trustor shall pay when due each obligation secured by or reducible to a lien, charge or encumbrance which now does or later may encumber or appear to encumber all or part of the Property or any interest in it, whether the lien, charge or encumbrance is or would be senior or subordinate to this Deed of Trust. This Section 5.4(d) is subject to any right granted to Trustor in the Credit

Agreement to contest in good faith claims and liens for labor done and materials and services furnished in connection with construction of the Improvements.

5.5 Insurance. Trustor shall, at Trustor's expense, maintain in force and effect on the Property at all times the following insurance:

(a) All-risk property insurance with policy limits in an amount not less than the full insurable value of the Property on a replacement cost basis (including tenant improvements), and business interruption insurance in an amount acceptable to Beneficiary. Each policy or policies shall contain a replacement cost endorsement and either an agreed amount endorsement (to avoid the operation of any co-insurance provisions) or a waiver of any co-insurance provisions, all subject to Beneficiary's approval. The determination of the replacement cost amount shall be adjusted annually to comply with the requirements of the insurer issuing such coverage or, at Beneficiary's reasonable election, by reference to such indexes, appraisals or information as Beneficiary determines in its reasonable discretion. All property and business interruption insurance policies must include a lender's loss payable endorsement (438 BFU or its equivalent) issued in favor of Beneficiary.

(b) Commercial general liability insurance in such amounts as are customarily carried under similar circumstances by Persons engaged in the same or similar business. During any construction on the Land, Trustor's general contractor for such construction shall also provide the insurance required under this subparagraph (b). Beneficiary shall have the right to periodically review the amount of said liability insurance being maintained by Trustor and to require an increase in the amount of said liability insurance should Beneficiary deem an increase to be reasonably prudent under then existing circumstances. All commercial general liability insurance policies must name Beneficiary as an additional insured.

(c) If the Land or any part thereof is identified by the Secretary of Housing and Urban Development as being situated in an area now or subsequently designed as a "special flood hazard area," flood insurance in an amount equal to one hundred percent (100%) of the replacement cost of the Improvements or the maximum amount of flood insurance available, whichever is the lesser.

(d) Such other insurance on the Property or on any replacements or substitutions thereof or additions thereto as may from time to time be reasonably required by Beneficiary against other insurable hazards or casualties and in such amounts which at the time are commonly insured against in the case of property similarly situated.

All policy forms, limits, deductibles and retention's are subject to the approval of Beneficiary with the consent of the Majority Banks. Beneficiary may require such other insurance as its deems necessary. All policies of insurance must be issued by insurance companies approved by Beneficiary. All insurance companies must have BESTS financial and performance ratings of A- or better with any size designator or B+VII or better.

Trustor shall deliver to Beneficiary evidence that all insurance policies have been paid current. Trustor shall provide Beneficiary with certified copies of the insurance policies and original certificates of insurance satisfactory to Beneficiary. Trustor shall renew all such insurance and deliver to Beneficiary certificates evidencing such renewals at least thirty (30) days before any such insurance shall expire. Trustor agrees that all insurance policies, whether or not required or requested by Beneficiary, shall provide that all proceeds shall be payable to Beneficiary, its successors and assigns, pursuant to a mortgagee clause. Trustor further agrees that all Property insurance policies (i) shall (except for worker's compensation) provide for at least thirty (30) days' prior written notice to Beneficiary prior to any cancellation or termination thereof and prior to any modification thereof which affects the interest of Beneficiary; and (ii) shall contain an endorsement or agreement by the insurer that any loss shall be payable to Beneficiary in accordance with the terms of such policy notwithstanding any act or negligence of Trustor which might otherwise result in forfeiture of such insurance. Approval of any insurance by Beneficiary shall not be a representation of the solvency of any insurer or the

sufficiency of any amount of insurance. In the event Trustor fails to provide and maintain the policies of insurance required by this Deed of Trust, Beneficiary may, but shall not be obligated to, procure such insurance and Trustor shall pay all amounts advanced by Beneficiary, together with interest thereon from and after the date advanced by Beneficiary until repaid by Trustor. Repayment of any amounts so advanced by Beneficiary, together with interest thereon, shall be secured by this Deed of Trust. Beneficiary shall not be responsible for the insolvency of the insurer or other failure of the insurer to perform, even though Beneficiary has caused the insurance to be placed with the insurer after failure of Trustor to furnish such insurance.

5.6 Damages and Insurance and Condemnation Proceeds

(a) Rights of Beneficiary to Proceeds. In the event of loss with respect to the Property during the continuance of an Event of Default, Beneficiary shall have the exclusive right to adjust, collect and compromise all insurance claims, and Trustor shall not adjust, collect or compromise any claims under said policies without the prior written consent of Beneficiary. Upon the occurrence and during the continuance of an Event of Default, each insurer is hereby authorized and directed to make payment under said policies, including return of unearned premiums, directly to Beneficiary instead of to Trustor and Beneficiary jointly, and Trustor appoints Beneficiary as Trustor's attorney-in-fact to endorse any draft therefor. In such case, all insurance proceeds shall be payable to Beneficiary and such proceeds may, at Beneficiary's sole option, be applied to all or any part of the Secured Obligations and in any order (notwithstanding that any of the Secured Obligations may not then otherwise be due and payable) or to the repair and restoration of any of the Property under such terms and conditions as are set forth in Section 5.6(c) hereof or otherwise as Beneficiary may impose. Beneficiary shall not be deemed to have elected such option until such option is elected specifically in writing. Until so elected, Beneficiary shall not in any circumstances be deemed to have waived its right to make such election.

In the event of loss with respect to the Property and so long as no Event of Default has occurred and is continuing, Trustor shall have the right to adjust, collect and compromise all insurance claims involving Losses with respect to the Property less than \$100,000 (a "Minor Loss", Losses equal to or exceeding \$100,000 are referenced herein as a "Major Loss"). Except for Minor Losses (provided no Event of Default exists), Trustor shall not adjust, collect or compromise any claims under said policies without the prior written consent of Beneficiary. For Minor Losses, each insurer is hereby authorized and directed (provided no Event of Default exists) to make payment under said policies, including return of unearned premiums, directly to Trustor and for all other losses, directly to Trustor and Beneficiary. Insurance proceeds received by Trustor for Minor Losses shall be applied by Trustor to the cost of restoration in accordance with the provisions of Section 5.6(c) hereof.

(b) Condemnation. Trustor, immediately upon obtaining knowledge of the institution of any proceedings for the condemnation or taking by eminent domain of any of the Property, shall notify Beneficiary of the pendency of such proceedings. Beneficiary may participate in any such proceedings and Trustor shall deliver to Beneficiary all instruments requested by it to permit such participation. Except for Minor Losses, any award or compensation for property taken or for damage to property not taken, whether as a result of such proceedings or in lieu thereof, is hereby assigned to and shall be received and collected directly by Beneficiary, and, if an Event of Default shall have occurred and is continuing, any award or compensation shall be applied, at Beneficiary's option, to any part of the Secured Obligations and in any order (notwithstanding that any of the Secured Obligations may not then otherwise be due and payable) or to the repair and restoration of any of the Property under such terms and conditions as are set forth in Section 5.6(c) hereof. Beneficiary shall not be deemed to have elected such option until such option is elected specifically in writing. Until so elected, Beneficiary shall not in any circumstances be deemed to have waived its right to make such election. In the absence of a continuing Event of Default, any condemnation proceeds received by Beneficiary shall be paid to Trustor and shall be applied by Trustor to the restoration of the Property in accordance with the provisions of Section 5.6(c) hereof.

(c) Restoration. All amounts received by Trustor or Beneficiary which are to be applied to the restoration of the Property hereof shall be held in an interest bearing restoration fund ("Restoration Fund") and held by Beneficiary with any additions thereto that may be required by Beneficiary as hereinafter provided. The interest or income, if any, received on all deposits or investments of any monies in the Restoration Fund shall be added to the Restoration Fund. Beneficiary shall not be liable or accountable for any loss resulting from any deposit or investment or for any withdrawal, redemption or sale of deposits or investments of such funds. Beneficiary may impose reasonable charges for services performed in managing the Restoration Fund and may deduct such charges therefrom. Notwithstanding the foregoing, insurance proceeds or condemnation awards received by Trustor for Minor Losses shall be applied by Trustor to the cost of restoration in accordance with the provisions of this Section 5.6(c). In the event of a Major Loss, if the Beneficiary elects to apply the proceeds to restoration as permitted pursuant to the terms hereof or in the event of a Minor Loss the Trustor shall perform restoration pursuant to the terms of this Section 5.6(c) restoration shall be performed only in accordance with the following conditions:

(i) prior to commencement of restoration and from time to time during restoration, Beneficiary may require Trustor to deposit additional monies into the Restoration Fund in amounts which, in Beneficiary's reasonable judgment, are sufficient to defray all costs to be incurred to complete the restoration and all costs associated therewith, including labor, materials, architectural and design fees and expenses and contractor's fees and expenses, and Beneficiary shall have approved a budget and cost breakdown for the restoration, together with a disbursement schedule, in detail satisfactory to Beneficiary;

(ii) prior to commencement of restoration exceeding \$100,000 in the aggregate, the contracts, contractors, plans and specifications for the restoration shall have been approved by Beneficiary and all governmental authorities having jurisdiction, and Beneficiary shall be provided with satisfactory title insurance and acceptable surety bonds insuring satisfactory completion of the restoration and the payment of all subcontractors and materialmen;

(iii) at the time of any disbursement, no Event of Default or Default shall exist, no mechanics' or materialmen's liens shall have been filed and remain undischarged (except as permitted under the Credit Agreement) and an endorsement satisfactory to Beneficiary to its title insurance policy shall have been delivered to Beneficiary;

(iv) disbursements from the Restoration Fund shall be made in the manner, at such times and in accordance with such reasonable requirements as shall be specified by Beneficiary;

(v) Trustor will pay the cost of Beneficiary's inspecting architect or engineer and the cost of any reasonable attorney's fees and disbursements incurred by Beneficiary in connection with such restoration;

(vi) Beneficiary shall have the option to retain up to ten percent (10%) of the cost of all work until the restoration is completed, as determined by Beneficiary, and all occupancy permits therefor have been issued;

(vii) Beneficiary may impose such other reasonable conditions, including a restoration schedule, to assure complete and lien-free restoration;

(viii) any sum remaining in the Restoration Fund upon completion of restoration shall, at Beneficiary's option, be applied to any part of the Secured Obligations and in any order (notwithstanding that any of the Secured Obligations may not then be otherwise due and payable) or be paid to Trustor.

If within a reasonable period of time (depending on the nature of the casualty, but in no event to exceed six (6) months) after the occurrence of any loss or damage to the Property Trustor shall not have submitted to Beneficiary and received Beneficiary's approval of plans and specifications for the repair, restoration or rebuilding of such loss or damage or shall not have obtained approval of such plans and specifications from all governmental authorities whose approval is required or if, after such plans and specifications are approved by Beneficiary and by all such governmental authorities, Trustor shall fail to commence promptly such repair, restoration or rebuilding or if thereafter Trustor fails to carry out diligently such repair, restoration or rebuilding or is delinquent in the payment to mechanics, materialmen or others of the costs incurred in connection with such work or if any other condition of this paragraph is not satisfied within a reasonable period of time after the occurrence of any such loss or damage, each of the foregoing shall constitute a default hereunder, and, then, Beneficiary, in addition to all other rights herein set forth, and after giving Trustor thirty (30) days written notice of the nonfulfillment of one or more of the foregoing conditions, may, failing Trustor's fulfillment of said conditions within said thirty (30) day period, at Beneficiary's option, perform or cause to be performed such repair, restoration or rebuilding and may take such other steps as Beneficiary may elect to carry out such repair, restoration or rebuilding and may enter upon the Property for any of the foregoing purposes, and Trustor hereby waives, for itself and all others holding under it, any claim against Beneficiary and any receiver and their respective agents (other than a claim based upon the alleged gross negligence or intentional misconduct of Beneficiary or any such receiver or agent) arising out of anything done by them or any of them pursuant to this paragraph and Beneficiary may, in its discretion, apply any insurance proceeds or condemnation awards held by it to reimburse itself and/or such receiver for all amounts expended or incurred by it in connection with the performance of such work, including attorneys' fees, and any excess costs shall be paid by Trustor to Beneficiary, and Trustor's obligation to pay such excess costs shall be secured by the lien of this Deed of Trust and shall bear interest at the Default Rate until paid.

Trustor waives any and all right to claim or recover against Beneficiary, its officers, employees, agents and representatives for loss of or damage to Trustor, the Property, Trustor's property or the property of others under Trustor's control from any cause insured against or required to be insured against by the provisions of this Deed of Trust.

5.7 Maintenance and Preservation of Property

- (a) Trustor shall insure the Property as required herein and keep the Property in good condition and repair.
- (b) Trustor shall not remove or demolish the Property or any part of it, or alter, restore or add to the Property, or initiate or allow any change in any zoning or other land use classification which affects the Property or any part of it, except as permitted or required by the Credit Agreement or with Beneficiary's express prior written consent in each instance where the cost exceeds \$100,000.
- (c) If all or part of the Property becomes damaged or destroyed, Trustor shall promptly and completely repair and/or restore the Property in a good and workmanlike manner in accordance with sound building practices, regardless of whether or not Beneficiary agrees to disburse insurance proceeds or other sums to pay costs of the work of repair or reconstruction under Section 5.6.
- (d) Trustor shall not commit or allow any act upon or use of the Property which would violate: (i) any applicable law or order of any governmental authority, whether now existing or later to be enacted and whether foreseen or unforeseen; or (ii) any public or private covenant, condition, restriction or equitable servitude affecting the Property. Trustor shall not bring or keep any article on the Property or cause or allow any condition to exist on it, if that could invalidate or would be prohibited by any insurance coverage required to be maintained by Trustor on the Property or any part of it under the Credit Agreement.

(e) Trustor shall not commit or allow waste of the Property, including those acts or omissions characterized under the Credit Agreement as waste which arises out of Hazardous Substances (as defined in the Environmental and Hazardous Substance Indemnity Agreement executed by Trustor in connection with this Deed of Trust).

(f) Trustor shall operate and manage the Property at all times in a professional manner and perform all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value.

5.8 Trustee's Acceptance of Trust. Trustee accepts this trust when this Deed of Trust is recorded.

5.9 Releases, Extensions, Modifications and Additional Security

(a) From time to time, Beneficiary may perform any of the following acts without incurring any liability or giving notice to any person:

- (i) Release any person liable for payment of any Secured Obligation;
- (ii) Extend the time for payment, or otherwise alter the terms of payment, of any Secured Obligation;
- (iii) Accept additional real or personal property of any kind as security for any Secured Obligation, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security; or
- (iv) Alter, substitute or release any property securing the Secured Obligations.

(b) From time to time when requested to do so by Beneficiary in writing, Trustee may perform any of the following acts without incurring any liability or giving notice to any person so long as it is authorized by applicable law to do so:

- (i) Consent to the making of any plat or map of the Property or any part of it;
- (ii) Join in granting any easement or creating any restriction affecting the Property;
- (iii) Join in any subordination or other agreement affecting this Deed of Trust or the lien of it; or
- (iv) Reconvey the Property or any part of it without any warranty.

5.10 Reconveyance. When all of the Secured Obligations have been paid in full, Beneficiary shall request Trustee in writing to reconvey the Property, and shall surrender this Deed of Trust and all notes and instruments evidencing the Secured Obligations to Trustee. When Trustee receives Beneficiary's written request for reconveyance and all fees and other sums owing to Trustee by Trustor under Section 5.11, Trustee shall reconvey the Property, or so much of it as is then held under this Deed of Trust, without warranty to the person or persons legally entitled to it. Such person or persons shall pay any costs of recordation, and any reconveyance fee charged by the Trustee. In the reconveyance, the grantee may be described as "the person or persons legally entitled thereto," and the recitals of any matters or facts shall be conclusive proof of their truthfulness. Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance.

5.11 Compensation, Exculpation, Indemnification

(a) Trustor agrees to pay fees in the maximum amounts legally permitted, or reasonable fees as may be charged by Beneficiary and Trustee when the law provides no maximum limit, for any services that Beneficiary or Trustee may render in connection with this Deed of Trust, including Beneficiary's providing a statement of the Secured Obligations or Trustee's rendering of services in connection with a reconveyance. Trustor shall also pay or reimburse all of Beneficiary's and Trustee's reasonable costs and expenses which may be incurred in rendering any such services. Trustor further agrees to pay or reimburse Beneficiary for all costs, expenses and other advances which may be incurred or made by Beneficiary or Trustee in any efforts to enforce any terms of this Deed of Trust, including any rights or remedies afforded to Beneficiary or Trustee or both of them under Section 6.2, whether any lawsuit is filed or not, or in defending any action or proceeding arising under or relating to this Deed of Trust, including attorneys' fees and other legal costs, costs of any Foreclosure Sale (as defined in subsection 6.2(h)) and any cost of evidence of title. If Beneficiary chooses to dispose of Property through more than one Trustee's Sale or Foreclosure Sale, Trustor shall pay all costs, expenses or other advances that may be incurred or made by Trustee or Beneficiary in each of such Trustee's Sales or Foreclosure Sales.

(b) Beneficiary shall not be directly or indirectly liable to Trustor as a consequence of any of the following:

(i) Beneficiary's exercise of or failure to exercise any rights, remedies or powers granted to Beneficiary in this Deed of Trust;

(ii) Beneficiary's failure or refusal to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or under this Deed of Trust; or

(iii) Any loss sustained by Trustor or any third party resulting from Beneficiary's failure to lease the Property, or from any other act or omission of Beneficiary in managing the Property, after an Event of Default, unless the loss is caused by the willful misconduct or bad faith of Beneficiary.

Trustor hereby expressly waives and releases all liability of the types described above, and agrees that no such liability shall be asserted against or imposed upon Beneficiary.

(c) Trustor agrees to indemnify Trustee and Beneficiary against and hold them harmless from all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title, cost of evidence of value, and other costs and expenses which either may suffer or incur:

(i) In performing any act required or expressly permitted by this Deed of Trust or any of the other Loan Documents or by law;

(ii) Because of any failure of Trustor to perform any of Trustor's obligations; or

(iii) Because of any alleged obligation of or undertaking by Beneficiary to perform or discharge any of the representations, warranties, conditions, covenants or other obligations in any document relating to the Property other than the Loan Documents.

This agreement by Trustor to indemnify Trustee and Beneficiary shall survive the release and cancellation of any or all of the Secured Obligations and the full or partial release and/or reconveyance of this Deed of Trust.

5.12 Defense and Notice of Claims and Actions. At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, and the security of this Deed of Trust and the rights and powers of Beneficiary and Trustee created under it, against all adverse claims.

Trustor shall give Beneficiary and Trustee prompt notice in writing if any claim is asserted which does or could affect any of such matters, or if any action or proceeding is commenced which alleges or relates to any such claim.

5.13 Substitution of Trustee. From time to time, Beneficiary may substitute a successor to any Trustee named in or acting under this Deed of Trust in any manner now or later to be provided at law, or by a written instrument executed and acknowledged by Beneficiary and recorded in the office(s) of the recorder(s) of the county or counties where the Land and Improvements are situated. Any such instrument shall be conclusive proof of the proper substitution of the successor Trustee, who shall automatically upon recordation of the instrument succeed to all estate, title, rights, powers and duties of the predecessor Trustee, without conveyance from it.

5.14 Subrogation. Beneficiary shall be subrogated to the liens of all encumbrances, whether released of record or not, which are discharged in whole or in part by Beneficiary in accordance with this Deed of Trust or with the proceeds of any loan secured by this Deed of Trust.

5.15 Site Visits, Observation and Testing. Beneficiary and its agents and representatives shall have the right at any reasonable time to enter and visit the Property for the purpose of performing appraisals, to audit and examine the books and records of Trustor relating to the Property, and to make copies of the same. In addition, the Indemnified Parties (as defined in the Environmental and Hazardous Substances Indemnity Agreement) and their agents and representatives shall have the right at any reasonable time to enter and visit the Property for the purposes of observing the Property, taking and removing soil or groundwater samples, and conducting tests on any part of the Property. The Indemnified Parties have no duty, however, to visit or observe the Property or to conduct tests, and no site visit, observation or testing by any Indemnified Party shall impose any liability on any Indemnified Party. In no event shall any site visit, observation or testing by any Indemnified Party be a representation that Hazardous Substances are or are not present in, on or under the Property, or that there has been or shall be compliance with any law, regulation or ordinance pertaining to Hazardous Substances or any other applicable governmental law. Neither Trustor nor any other party is entitled to rely on any site visit, observation or testing by any Indemnified Party. The Indemnified Parties owe no duty of care to protect Trustor or any other party against, or to inform Trustor or any other party of, any Hazardous Substances or any other adverse condition affecting the Property. The Indemnified Parties may in their discretion disclose to Trustor or any other party any report or findings made as a result of, or in connection with, any site visit, observation or testing by the Indemnified Parties. Trustor understands and agrees that the Indemnified Parties make no representation or warranty to Trustor or any other party regarding the truth, accuracy or completeness of any such report or findings that may be disclosed. Trustor also understands that, depending on the results of any site visit, observation or testing by any Indemnified Party which are disclosed to Trustor, Trustor may have a legal obligation to notify one or more environmental agencies of the results and that such reporting requirements are site-specific and are to be evaluated by Trustor without advice or assistance from the Indemnified Parties. Any Indemnified Party shall give Trustor reasonable notice before entering the Property. Such Indemnified Party shall make reasonable efforts to avoid interfering with Trustor's use of the Property in exercising any rights provided in this Section.

5.16 Notice of Change. Trustor shall give Beneficiary prior written notice of any change in: (a) the location of Trustor's place of business or its chief executive office if it has more than one place of business; (b) the location of any of the Property, including the Books and Records; and (c) Trustor's name or business structure. Unless otherwise approved by Beneficiary in writing, all Property that consists of personal property (other than the Books and Records) will be located on the Land and all Books and Records will be located at Trustor's place of business or chief executive office if Trustor has more than one place of business.

5.17 Compliance with Laws. Trustor shall comply with all federal, state and local laws, rules and regulations applicable to the Property, including all zoning and building requirements and all requirements of the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et. seq.), as amended from time to time.

Trustor shall maintain in full force and effect at all times (a) all certificates of occupancy and other licenses, permits and authorizations required by applicable law for the existing use of the Property, and (b) all permits, franchises, licenses, trademarks, trade names, patents and fictitious names, if any, required by applicable law for Trustor to conduct the business in which Trustor is now engaged with respect to the Property.

5.18 Trustor's Waivers. Trustor, for itself and its successors and assigns, to the fullest extent permitted by law, hereby knowingly, intentionally and voluntarily with and upon the advice of competent counsel: (a) waives, releases, relinquishes and forever forgoes all rights of valuation, appraisal, stay of execution, reinstatement and notice of election of intention to mature or declare due the Secured Obligations (except such notices as are specifically provided for herein); (b) waives, releases, relinquishes and forever forgoes all right to a marshalling of the assets of Trustor, including the Property, or to direct the order in which the Property shall be sold in the event of foreclosure; and (c) waives, releases, relinquishes and forever forgoes all rights and periods of redemption provided under any applicable law. To the fullest extent permitted by law, Trustor shall not have or assert any right under any statute or rule of law pertaining to the exemption of homestead or other exemption under any federal, state or local law now or hereafter in effect, to defeat, reduce or affect the right of Beneficiary under the terms of this Deed of Trust to a sale of the Property. Further, Trustor hereby knowingly, intentionally and voluntarily, to the fullest extent permitted by law, waives, releases, relinquishes and forever forgoes all present and future statutes of limitations as a defense to any action to enforce the provisions of this Deed of Trust or to collect any of the Secured Obligations, to the fullest extent permitted by law.

5.19 Statutory Covenants. To the extent not inconsistent with the express provisions of this Deed of Trust, the following covenants of Section 107.030 of the Nevada Revised Statutes are hereby adopted and made a part of this Deed of Trust: Covenant No. 3, Covenant No. 4 (interest, Default Rate under Loan Agreement), Covenant No. 5, Covenant No. 6, Covenant No. 7 (attorneys' fees, reasonable), Covenant No. 8, and Covenant No. 9.

6. Default and Remedies

6.1 Events of Default. Trustor will be in default under this Deed of Trust upon the occurrence of any one or more of the following events (some or all collectively, "Events of Default;" any one singly, an "Event of Default"):

- (a) Trustor fails to pay any Secured Obligation when due in accordance with the terms thereof including any grace or cure periods; or
- (b) Trustor shall fail to perform or observe any of the obligations in Section 5.4 or 5.5 hereof; or
- (c) Trustor shall fail to perform or observe any other provision in this Deed of Trust, other than those Events of Default referenced in Sections 6.1 (a) and (b) above, and such failure shall continue for a period of twenty (20) days after the earlier of (i) the date on which a responsible officer of Trustor obtained actual knowledge of such failure or (ii) the date of written notice from Beneficiary;
- (d) A default or Event of Default occurs under the Credit Agreement or any of the Secured Obligations;
- (e) Any representation, warranty, certificate or other statement (financial or otherwise) made or furnished by or on behalf of Trustor, or a guarantor or indemnitor, if any, to Beneficiary in connection with this Deed of Trust or any of the Loan Documents, shall be false, incorrect, incomplete or misleading in any material respect when made or furnished;
- (f) Foreclosure proceedings shall be instituted against the Property upon any other lien or claim whether alleged to be superior or junior to the lien of this Deed of Trust;

(g) The Improvements shall be substantially damaged or destroyed by an uninsured or inadequately insured casualty and Trustor shall not have deposited an amount satisfactory to Beneficiary with Beneficiary within thirty (30) days following such casualty; or

(h) Trustor shall fail to deliver any certification or other document or instrument requested by Beneficiary pursuant to this Deed of Trust within twenty (20) days after receipt of request.

6.2 Remedies. At any time after an Event of Default, Beneficiary and Trustee shall be entitled to invoke any and all of the rights and remedies described below. All of such rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies.

(a) Acceleration. Beneficiary may declare any or all of the Secured Obligations to be due and payable immediately. In order to accelerate the maturity of the indebtedness hereby secured because of the failure of Trustor to pay any tax assessment, liability, obligation or encumbrance upon the Property as herein provided, it shall not be necessary that Beneficiary shall first pay the same.

(b) Receiver. Beneficiary may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for all or any part of the Property, as a matter of strict right and without notice to Trustor, without regard to the adequacy of the Property for the repayment of the Secured Obligations or the solvency of Trustor or any person or persons liable for the payment of the Secured Obligations. Trustor hereby irrevocably consents to such appointment, waives any and all notices of and defenses to such appointment and agrees not to oppose any such application by Beneficiary. The receiver shall have all of the usual powers and duties of receivers in similar cases, including the full power to hold, develop, rent, lease, manage, maintain, operate and otherwise use or permit the use of the Property upon such terms and conditions as said receiver may deem to be prudent and reasonable under the circumstances. Such receivership shall, at the option of Beneficiary, continue until full payment of all Secured Obligations or until title to the Property shall have passed by foreclosure sale under this Deed of Trust or deed in lieu of foreclosure. Nothing herein is to be construed to deprive Beneficiary of any other right, remedy or privilege Beneficiary may now have or may subsequently have under the law to have a receiver appointed.

(c) Entry. Beneficiary, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and may also do any and all other things in connection with those actions that Beneficiary may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: taking and possessing all of Trustor's or the then owner's Books and Records; entering into, enforcing, modifying, or canceling leases on such terms and conditions as Beneficiary may consider proper; obtaining and evicting tenants; fixing or modifying Rents; collecting and receiving any payment of money owing to Trustor; completing any unfinished construction; and/or contracting for and making repairs and alterations. If Beneficiary so requests, Trustor shall assemble all of the Property that has been removed from the Land and make all of it available to Beneficiary at the site of the Land. Trustor hereby irrevocably constitutes and appoints Beneficiary as Trustor's attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Trustor's name on any instruments. Regardless of any provision of this Deed of Trust, or any other Loan Document, Beneficiary shall not be considered to have accepted any property other than cash or immediately available funds in satisfaction of any obligation of Trustor to Beneficiary, unless Beneficiary has given express written notice of Beneficiary's election of that remedy in accordance with Nevada Uniform Commercial Code Section 104.9505, as it may be amended or recodified from time to time.

(d) Cure; Protection of Security. Either Beneficiary or Trustee may cure any breach or default of Trustor, and if it chooses to do so in connection with any such cure, Beneficiary or Trustee may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of

Beneficiary or Trustee under, this Deed of Trust; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Beneficiary's or Trustee's sole judgment is or may be senior in priority to this Deed of Trust, such judgment of Beneficiary or Trustee to be conclusive as among the parties to this Deed of Trust; obtaining insurance and/or paying any premiums or charges for insurance required to be carried under the Credit Agreement; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Beneficiary or Trustee. Beneficiary and Trustee may take any of the actions permitted under this subsection 6.2(d) either with or without giving notice to any person.

(e) Uniform Commercial Code Remedies. Beneficiary may exercise any or all of the remedies granted to a secured party under the Nevada Uniform Commercial Code, or otherwise by law.

(f) Judicial Action. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of any of the covenants or agreements of this Deed of Trust.

(g) Power of Sale. Under the power of sale hereby granted, Beneficiary shall have the discretionary right to cause some or all of the Property, including any Property which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

(i) Sales of Personal Property

(A) For purposes of this power of sale, Beneficiary may elect to treat as personal property any Property which is intangible or which can be severed from the Land or Improvements without causing structural damage. If it chooses to do so, Beneficiary may dispose of any personal property separately from the sale of real property, in any manner permitted by Division 9 of the Nevada Uniform Commercial Code, including any public or private sale, or in any manner permitted by any other applicable law.

(B) In connection with any sale or other disposition of such Property, Trustor agrees that the following procedures constitute a commercially reasonable sale: Beneficiary shall mail written notice of the sale to Trustor not later than fifteen (15) days prior to such sale. Beneficiary will publish notice of the sale in a local newspaper of general circulation. Upon receipt of any written request, Beneficiary will make the Property available to any bona fide prospective purchaser for inspection during reasonable business hours. Notwithstanding, Beneficiary shall be under no obligation to consummate a sale if, in its judgment, none of the offers received by it equals the fair value of the Property offered for sale. The foregoing procedures do not constitute the only procedures that may be commercially reasonable.

(ii) Trustee's Sales of Real Property or Mixed Collateral

(A) Beneficiary may choose to dispose of some or all of the Property which consists solely of real property in any manner then permitted by applicable law. In its discretion, Beneficiary may also or alternatively choose to dispose of some or all of the Property, in any combination consisting of both real and personal property, together in one sale to be held in accordance with the law and procedures applicable to real property, as permitted by Section 104.9501(4) of the Nevada Uniform Commercial Code. Trustor agrees that such a sale of personal property together with real property constitutes a commercially reasonable sale of the personal property. For purposes of this power of sale, either a sale of real property alone, or a sale of both real and personal property together in accordance with Nevada Uniform Commercial Code Section 104.9501(4), will sometimes be referred to as a "Trustee's Sale."

(B) Before any Trustee's Sale, Beneficiary or Trustee shall give such notice of default and election to sell as may then be required by law. When all time periods then legally mandated have expired, and after such notice of sale as may then be legally required has been given, Trustee shall sell the property being sold at a public auction to be held at the time and place specified in the notice of sale. Neither Trustee nor Beneficiary shall have any obligation to make demand on Trustor before any Trustee's Sale. From time to time in accordance with then applicable law, Trustee may, and in any event at Beneficiary's request shall, postpone any Trustee's Sale by public announcement at the time and place noticed for that sale.

(C) At any Trustee's Sale, Trustee shall sell to the highest bidder at public auction for cash in lawful money of the United States. Trustee shall execute and deliver to the purchaser(s) a deed or deeds conveying the property being sold without any covenant or warranty whatsoever, express or implied. The recitals in any such deed of any matters or facts, including any facts bearing upon the regularity or validity of any Trustee's Sale, shall be conclusive proof of their truthfulness. Any such deed shall be conclusive against all persons as to the facts recited in it.

(h) Single or Multiple Foreclosure Sales. If the Property consists of more than one lot, parcel or item of property, Beneficiary may:

(i) Designate the order in which the lots, parcels and/or items shall be sold or disposed of or offered for sale or disposition; and

(ii) Elect to dispose of the lots, parcels and/or items through a single consolidated sale or disposition to be held or made under the power of sale granted in subsection 6.2(g), or in connection with judicial proceedings, or by virtue of a judgment and decree of foreclosure and sale; or through two or more such sales or dispositions; or in any other manner Beneficiary may deem to be in its best interests (any such sale or disposition, a "Foreclosure Sale;" any two or more, "Foreclosure Sales").

If Beneficiary chooses to have more than one Foreclosure Sale, Beneficiary at its option may cause the Foreclosure Sales to be held simultaneously or successively, on the same day, or on such different days and at such different times and in such order as Beneficiary may deem to be in its best interests. No Foreclosure Sale shall terminate or affect the lien of this Deed of Trust on any part of the Property which has not been sold until all of the Secured Obligations have been paid and performed in full.

6.3 Credit Bids. At any Trustee Sale or Foreclosure Sale, any person, including Trustor, Trustee or Beneficiary, may bid for and acquire the Property or any part of it to the extent permitted by then applicable law. Instead of paying cash for such property, Beneficiary may settle for the purchase price by crediting the sales price of the Property against the following obligations:

(a) First, the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Trustor is obligated to pay or reimburse Beneficiary or Trustee under Section 5.11; and

(b) Second, all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose.

6.4 Application of Sale Proceeds. To the extent not otherwise required by law, beneficiary and Trustee shall apply the proceeds of any Trustee's Sale or Foreclosure Sale in the following manner:

(a) First, to pay the portion of the Secured Obligations attributable to the expenses of sale, costs of any action and any other sums for which Trustor is obligated to reimburse Beneficiary or Trustee under Section 5.11;

(b) Second, to pay the portion of the Secured Obligations attributable to any sums expended or advanced by Beneficiary or Trustee under the terms of this Deed of Trust which then remain unpaid;

(c) Third, to any fees due under the Loan Documents;

(d) Fourth, to any interest due under the Loan Documents;

(e) Fifth, to any principal due under the Loan Documents;

(e) Sixth, to pay all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose; and

(f) Seventh, to remit the remainder, if any, to the person or persons entitled to it.

6.5 Application of Rents and Other Sums. Beneficiary shall apply any and all Rents collected by it, and any and all sums other than proceeds of a Trustee's Sale or Foreclosure Sale which Beneficiary may receive or collect under Section 6.2, in the following manner:

(a) First, to pay the portion of the Secured Obligations attributable to the costs and expenses of operation and collection that may be incurred by Trustee, Beneficiary or any receiver;

(b) Second, to pay all other Secured Obligations in any order and proportions as Beneficiary in its sole discretion may choose; and

(c) Third, to remit the remainder, if any, to the person or persons entitled to it.

Beneficiary shall have no liability for any funds which it does not actually receive.

6.6 Other Rights. Trustee and Beneficiary may exercise such other rights as Trustee and/or Beneficiary may have at law or in equity or pursuant to the terms and conditions of this Deed of Trust or any of the other Loan Documents.

6.7 Actions by Beneficiary. In taking any action under this Section 6 or otherwise taking action as Beneficiary on behalf of the Banks and exercising such powers and performing such duties under this Deed of Trust as are granted to Beneficiary hereunder, Beneficiary shall act in each case in accordance with the instructions of the Majority Banks (as defined in the Credit Agreement); provided, however, that, without the consent of all Banks, Beneficiary shall not, and may not be directed to, release any of the Property or reconvey the lien of this Deed of Trust, except in connection with a sale or other disposition of the Property under this Section 6 or as otherwise contemplated or permitted hereunder or under the Credit Agreement.

7. Miscellaneous Provisions

7.1 Additional Provisions. The Loan Documents fully state all of the terms and conditions of the parties' agreement regarding the matters mentioned in or incidental to this Deed of Trust. This Deed of Trust may be modified or amended only by written agreement signed by all of the parties hereto. The Loan Documents also grant further rights to Beneficiary and certain of them contain further agreements and affirmative and negative covenants by Trustor which apply to this Deed of Trust and to the Property.

7.2 No Waiver or Cure

(a) Each waiver by Beneficiary or Trustee must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Beneficiary or Trustee to take action on account of any default of Trustor. Consent by Beneficiary or Trustee to any act or omission by Trustor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's or Trustee's consent to be obtained in any future or other instance.

(b) If any of the events described below occurs, that event alone shall not: cure or waive any breach, Event of Default or notice of default under this Deed of Trust or invalidate any act performed pursuant to any such default or notice; or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and all other defaults under the Loan Documents have been cured); or impair the security of this Deed of Trust; or prejudice Beneficiary, Trustee or any receiver in the exercise of any right or remedy afforded any of them under this Deed of Trust; or be construed as an affirmation by Beneficiary of any tenancy, lease or option, or a subordination of the lien of this Deed of Trust.

(i) Beneficiary, its agent or a receiver takes possession of all or any part of the Property.

(ii) Beneficiary collects and applies Rents either with or without taking possession of all or any part of the Property.

(iii) Beneficiary receives and applies to any Secured Obligation any proceeds of any Property, including any proceeds of insurance policies, condemnation awards, or other claims, property or rights assigned to Beneficiary herein.

(iv) Beneficiary makes a site visit, observes the Property and/or conducts tests as permitted hereunder or under the Environmental and Hazardous Substance Indemnity Agreement.

(v) Beneficiary receives any sums under this Deed of Trust or any proceeds of any collateral held for any of the Secured Obligations, and applies them to one or more Secured Obligations.

(vi) Beneficiary, Trustee or any receiver invokes any right or remedy provided under this Deed of Trust.

7.3 Powers of Beneficiary and Trustee

(a) Trustee shall have no obligation to perform any act which it is empowered to perform under this Deed of Trust unless it is authorized to do so under applicable law, is requested to do so in writing and is reasonably indemnified against loss, cost, liability and expense.

(b) If either Beneficiary or Trustee performs any act which it is empowered or authorized to perform under this Deed of Trust, that act alone shall not release or change the personal liability of any person for the payment and performance of the Secured Obligations then outstanding, or the lien of this Deed of Trust on all or the remainder of the Property for full payment and performance of all outstanding Secured Obligations. The liability of the original Trustor shall not be released or changed if Beneficiary grants any successor in interest to Trustor any extension of time for payment, or modification of the terms of payment, of any Secured Obligation. Beneficiary shall not be required to comply with any demand by the original Trustor that Beneficiary refuse to grant such an extension or modification to, or commence proceedings against, any such successor in interest.

(c) Beneficiary may take any of the actions permitted hereunder regardless of the

adequacy of the security for the Secured Obligations, or whether any or all of the Secured Obligations have been declared to be immediately due and payable, or whether notice of default and election to sell has been given under this Deed of Trust.

(d) From time to time, Beneficiary or Trustee may apply to any court of competent jurisdiction for aid and direction in executing the trust and enforcing the rights and remedies created under this Deed of Trust. Beneficiary or Trustee may from time to time obtain orders or decrees directing, confirming or approving acts in executing this trust and enforcing such rights and remedies.

7.4 Merger. No merger shall occur as a result of Beneficiary's acquiring any other estate in or any other lien on the Property unless Beneficiary consents to a merger in writing. Upon the foreclosure of this Deed of Trust, any Leases then existing shall not be destroyed or terminated by application of the doctrine of merger or by operation of law or as a result of such foreclosure unless Beneficiary or any purchaser at a foreclosure sale shall so elect by written notice to the lessee in question.

7.5 Joint and Several Liability. If Trustor consists of more than one person, each shall be jointly and severally liable for the faithful performance of all of Trustor's obligations under this Deed of Trust.

7.6 Applicable Law. This Deed of Trust shall be governed by Nevada law.

7.7 Successors in Interest. The terms, covenants and conditions of this Deed of Trust shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties.

7.8 Interpretation

(a) Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the sections of this Deed of Trust are for convenience only and do not define or limit any terms or provisions. The word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to."

(b) The word "obligations" is used in its broadest and most comprehensive sense, and includes all primary, secondary, direct, indirect, fixed and contingent obligations. It further includes all principal, interest, prepayment fees, late charges, loan fees and any other fees and charges accruing or assessed at any time, as well as all obligations to perform acts or satisfy conditions.

(c) No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Deed of Trust. Exhibit A to this Deed of Trust is hereby incorporated by reference herein.

7.9 In-House Counsel Fees. Whenever Trustor is obligated to pay or reimburse Beneficiary or Trustee for any attorneys' fees, those fees shall include the allocated costs for services of in-house counsel.

7.10 Waiver of Marshalling. Trustor waives all rights, legal and equitable, it may now or hereafter have to require marshalling of assets or to require upon foreclosure sales of assets in a particular order. Each successor and assign of Trustor, including any holder of a lien subordinate to this Deed of Trust, by acceptance of its interest or lien agrees that it shall be bound by the above waiver, as if it had given the waiver itself.

7.11 Severability. If any provision of this Deed of Trust should be held unenforceable or void, that provision shall be deemed severable from the remaining provisions and shall in no way affect the validity of this Deed of Trust, except that if such provision relates to the payment of any monetary sum, then Beneficiary may, at its option, declare all Secured Obligations immediately due and payable.

7.12 Notices. All notices or other communications required hereunder shall be given in the manner and to the addresses specified in, and shall be effective as provided in the Credit Agreement.

7.13 Attorneys' Fees. If any lawsuit, suit or proceeding is commenced which arises out of or relates to the Credit Agreement, this Deed of Trust or the other Loan Documents, the prevailing party shall be entitled to recover from each other party such sums as the court may adjudge to be reasonable attorneys' fees in the action, in addition to costs and expenses otherwise allowed by law. In all other situations, including any matter arising out of or relating to any proceeding under any debtor relief law, Trustor agrees to pay all of Beneficiary's costs and expenses, including attorneys' fees, which may be incurred in enforcing or protecting Beneficiary's rights or interests. From the time(s) incurred until paid in full to Beneficiary, all such sums shall bear interest.

7.14 Time of Essence. Time is of the essence with respect all provisions of this Deed of Trust.

7.15 Further Assurances. Trustor shall, upon demand by Beneficiary or Trustee, execute, acknowledge (if appropriate) and deliver any and all documents and instruments and do or cause to be done all further acts reasonably necessary or appropriate to effectuate the provisions hereof.

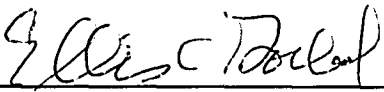
7.16 Attorney-in-Fact. Each appointment of Beneficiary as attorney-in-fact for Trustor in this Deed of Trust is irrevocable and coupled with an interest.

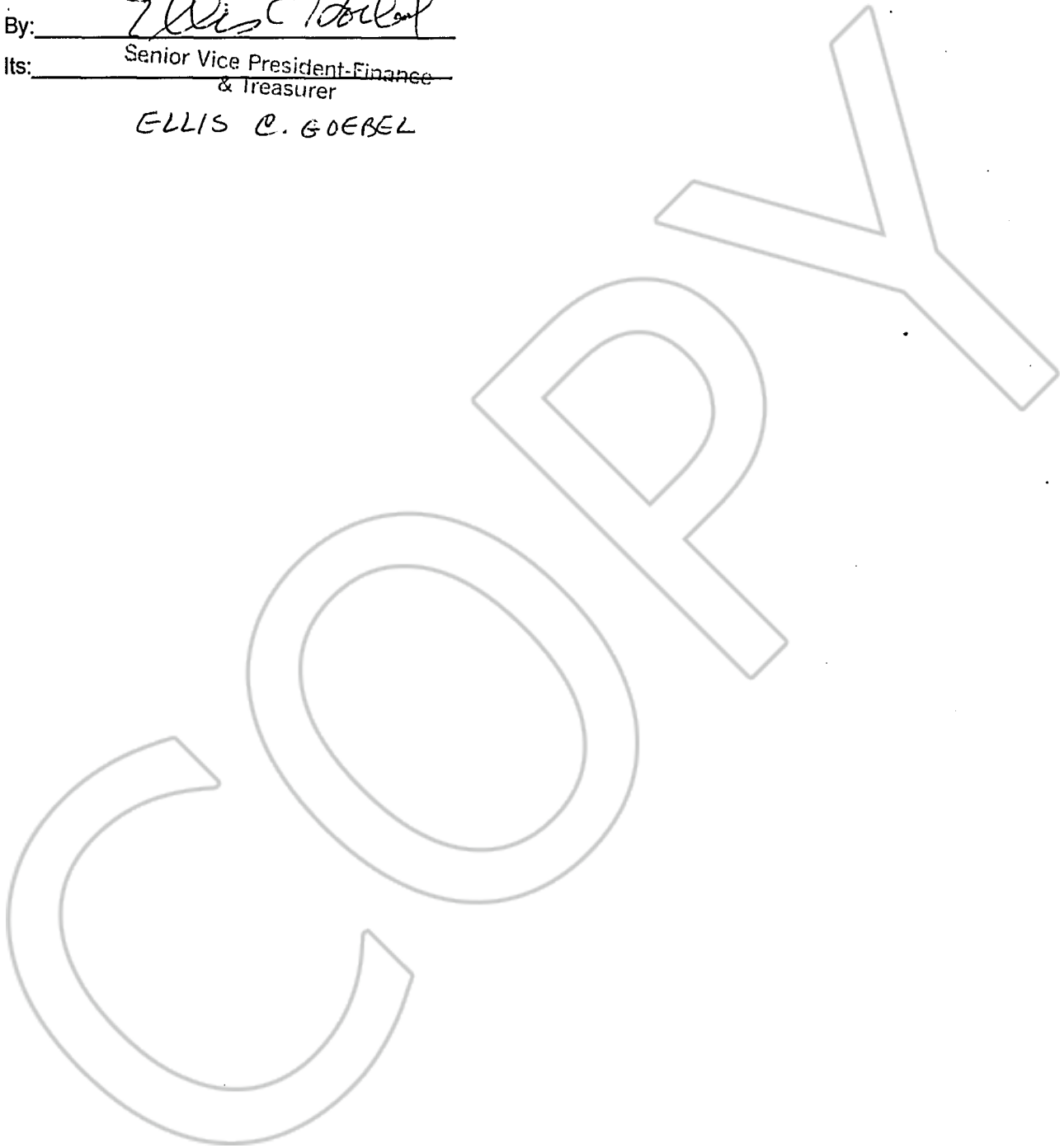
7.17 **WAIVER OF TRIAL BY JURY**. TRUSTOR HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE SECURED OBLIGATIONS, THE CREDIT AGREEMENT, THE LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY TRUSTOR, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. BENEFICIARY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY TRUSTOR.

7.18 **ENTIRE AGREEMENT**. BORROWER AGREES THAT THE WRITTEN AGREEMENTS EVIDENCED BY THE CREDIT AGREEMENT, THIS SECURITY INSTRUMENT AND THE OTHER SECURITY DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES THERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THESE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

IN WITNESS WHEREOF, this Deed of Trust is duly executed by Trustor on the date and year first written above.

TRUSTOR: BMC West Corporation, a Delaware corporation

By: 
Its: Senior Vice President-Finance
& Treasurer
ELLIS C. GOEBEL



0482327
BK1299PG1874

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of San Francisco

On Dec. 3, 1999, before me, Nettie M. Miller
Name and title of the Officer - e.g., "JANE DOE, NOTARY PUBLIC"

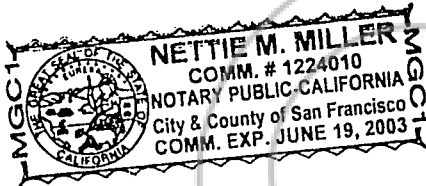
personally appeared Ellis C. Goebel
Name(s) of Signer(s)

personally known to me - OR proved to me on the basis of satisfactory evidence

to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Nettie M. Miller
SIGNATURE OF NOTARY



OPTIONAL SECTION - CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- INDIVIDUAL
CORPORATE OFFICER(S)

Senior Vice-President

Finance & Treasurer
TITLE(S)

- PARTNER(S) LIMITED
GENERAL

- ATTORNEY-IN-FACT
TRUSTEE(S)
GUARDIAN/CONSERVATOR
OTHER

SIGNER IS REPRESENTING

NAME OF PERSON(S) OR ENTITY(IES)

BMC West Corporation

OPTIONAL SECTION

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

Title or Type of Document

Deed of Trust with Security Agreement; Assignment of Rents and Fixture Filing (Salt Lake County, Utah) contains 24 pages and additional Exhibit A

Exhibit A "Legal Description of Land and Street Address of Property"

Number of Pages

24

Date of Document

December 3, 1999

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

Signer(s) Other Than Named Above

0482327

BK 1299PG 1875

Title No.82342

EXHIBIT A

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

That portion of the Northwest 1/4 of the Northwest 1/4, Section 4 and the Northeast 1/4 of the Northeast 1/4 of Section 5, Township 13 North, Range 20 East, M.D.B.&M., in the County of Douglas, State of Nevada, being more particularly described as follows:

BEGINNING at the Southeasterly corner of Lot 8, Block B of the CARSON VALLEY BUSINESS PARK, PHASE I, recorded in Book 993, at Page 3579, as Document No. 318019 of the Official Records of said Douglas County, said corner being on the Northeasterly right-of-way line of Business Parkway, said corner also being on a curve concave to the Southwest and having a radius of 760.00 feet, a radial line through said corner bears North 16°32'31" East; thence Westerly along said curve through a central angle of 7°52'16" an arc distance of 104.41 feet to a point of reversing curvature, a radial line through said point bears North 8°40'15" East, said reverse curve being concave to the Northeast and having a radius of 470.00 feet; thence Westerly and Northerly along said curve through a central angle of 81°17'43" an arc distance of 666.87 feet; thence North 0°02'02" West, 232.16 feet to the beginning of a curve concave to the Southeast and having a radius of 50.00 feet; thence Northerly and Easterly along said curve through a central angle of 90°07'22" an arc distance of 78.65 feet to a point on the Southerly right-of-way line of Johnson Lane; thence Easterly along said right-of-way line South 89°54'40" East, 145.56 feet to the intersection of said right-of-way line with the line common to said Sections 4 and 5; thence North 89°56'52" East 367.04 feet; thence South 25°43'21" East 491.92 feet; thence South 40°08'16" West, 426.74 feet to the POINT OF BEGINNING.

REFERENCE is hereby made to that certain Record of Survey map in support of a boundary line adjustment recorded on July 28, 1995, in Book 795, at Page 4518, as Document No. 367095, Official Records wherein said property is hereby referenced as Lot 8A, Block B of the Carson Valley Business Park Phase I.

ASSESSOR'S PARCEL NO. 23-210-31

REQUESTED BY
WESTERN TITLE COMPANY, INC.

IN OFFICIAL RECORDS OF
DOUGLAS CO. NEVADA

1999 DEC 10 PM 12:19

LINDA SLATER
RECORDER

\$31⁰⁰ PAID *K2* DEPUTY

0482327

BK 1299 PG 1876