

AA 1418-2-511-014

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

Higham, McConnell & Dunning LLP  
15 Enterprise, Suite 360  
Aliso Viejo, CA 92656  
Attn: Steven J. Dunning, Esq.

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**DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT  
AND FIXTURE FILING**  
(\$680,000 - Giacomazzi)

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (\$680,000 - GIACOMAZZI) (the "Deed of Trust") made as of May 13, 2003, by and among **RANDY L. GIACOMAZZI** and **W. J. GIACOMAZZI**, husband and wife as joint tenants, whose address is 1703 Logan Creek Drive, Glenbrook, Nevada 89413 ("Trustor"), **FIRST AMERICAN TITLE COMPANY OF NEVADA** whose address is 212 Elks Point Road, Suite 550, Zephyr Cove, Nevada 89448 ("Trustee") and **MKA CAPITAL GROUP, INC.**, a California corporation, whose address is 26 Corporate Plaza Drive, Suite 250, Newport Beach, California 92660 ("Beneficiary"), as security for performance of all of obligations of **PROVIDENT PACIFIC CORPORATION**, a Nevada corporation ("Borrower") under a Secured Promissory Note dated of even date herewith, in the stated amount of Six Hundred Eighty Thousand Dollars (\$680,000) (the "Note") and all other agreements between Borrower and Beneficiary (collectively, the "Loan Documents"), and all extensions, modifications, substitutions, replacements, and renewals of any thereof (collectively, the "Obligations").

NOW, THEREFORE, in consideration of the above premises and other good and valuable consideration, Trustor grants and agrees as follows:

**ARTICLE 1. GRANTS; OBLIGATIONS SECURED**

**1.1. Property.** Trustor irrevocably grants, transfers and assigns to Trustee, its successors and assigns, in trust, with power of sale and right of entry and possession, all of Trustor's present and future estate, right, title and interest in and to all of the following property, now owned or hereafter acquired (collectively the "Property"):

**1.1.1. Real Property.** That certain real property described in Exhibit "A" attached hereto and incorporated by this reference (the "Real Property").

**1.1.2. Improvements.** All present and future structures, buildings and improvements of any kind on the Real Property, and all machinery, equipment, appliances, furnishings, fixtures and other property used or usable in connection with the Real Property or the improvements now or hereafter on the Real Property, now or hereafter attached or affixed in any manner to or adapted to the use of the Real Property or any improvement thereon, including heating and air-conditioning systems; facilities used to provide utility services, refrigeration, ventilation, laundry, drying, dishwashing, garbage disposal, recreation or other services; window coverings, drapes and rods; and carpeting and floor coverings; all of which shall be considered, to the greatest extent permissible by law, part of the Real Property (all collectively, the "Improvements");

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1.1.3. **Appurtenances.** All present and future appurtenances of the Real Property and rights of the Trustor in and to any streets, roads, navigable waters, public places, easements or rights of way relating to the Real Property (the "Appurtenances");

1.1.4. **Rents.** All of the rents, issues, royalties, profits, revenue and income of the Real Property, the Improvements and the Appurtenances and all leases and agreements pertaining thereto (the "Rents") (subject, however, to the absolute assignment of the Rents set forth below), and all rights of the Trustor under all present and future leases affecting the Real Property or the Improvements, including any security deposits;

1.1.5. **Proceeds; Deposits.** All proceeds, including insurance proceeds, and claims arising on account of any damage to or taking of the Real Property, the Improvements, the Appurtenances or the Rents, and all causes of action and recoveries by settlement or otherwise for any loss or diminution in value of the Real Property, the Improvements, the Appurtenances or the Rents; all present and future deposits and payments made by Trustor with third parties in connection with the development of and construction upon the Real Property, and refunds thereof; and all present and future deposits and payments made with or other security given to utility companies by Trustor with respect to the Real Property or Improvements, and refunds thereof; and

1.1.6. **Water.** All present and future water, water rights and water stock relating to the Real Property and all proceeds, including insurance proceeds, thereof; and all present and future documents of membership in any owners' or members' association or similar group having responsibility for managing or operating any part of the Property and the proceeds, including insurance proceeds, thereof.

1.2. **Collateral.** Trustor, as debtor, hereby grants a security interest to Beneficiary, as secured party, in all of Trustor's present and future right, title and interest in and to all of the following property, now owned or hereafter acquired (collectively the "Collateral"):

1.2.1. **Tangible Property.** All goods and tangible personal property now or hereafter located in or on, or attached or affixed to, the Property, or used or intended for use in connection with the design, development, construction, improvement, equipping, furnishing, use, operation, management, occupancy or sale of the Property, including all appliances, furniture, furnishings, fittings, materials, supplies, equipment, fixtures and inventory, and all building materials, supplies and equipment;

1.2.2. **Intangibles; Contracts.** All intangibles (and documentary and other evidences thereof) relating to the Property, including the design, development, construction, improvement, equipping, furnishing, use, operation, management, occupancy, financing or sale thereof, including (a) all names under which or by which the Property may at any time be operated or known, all rights to carry on business under any such names or any variant thereof, and all goodwill in any way relating to the Property, (b) all permits, licenses, variances, land use entitlements, approvals, consents, authorizations, franchises and agreements, (c) all rights as a declarant (or its equivalent) under any covenants, conditions and restrictions or other matters of record, (d) all contracts, including all construction contracts (whether with general contractors, subcontractors, materialmen or otherwise), and all architectural, service, engineering, consulting, leasing, financing, sale and surety contracts, (e) all reserves, deferred payments, deposits, refunds, cost savings, letters of credit and payments of any kind, (f) all disbursed proceeds of financing commitments, (g) all insurance policies, (h) all claims, causes of action and recoveries by settlement or otherwise for any damage to, or loss, taking, or diminution in the value of, any of the Property, or for any breach (or rejection in bankruptcy) of any lease of any of the Property or Collateral to Trustor as lessee, by any lessor thereunder (or such lessor's trustee in bankruptcy), and (i) all revenues of operation in any form (including cash, cash equivalents, instruments, accounts and general intangibles);

1.2.3. **Plans; Reports; Documents.** All architectural and other drawings, plans, specifications, soil tests and reports, feasibility studies, studies, data, appraisals, maps, surveys, engineering reports, books of account, and other documents of any kind relating to the Property, including the design, development,

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construction, improvement, equipping, furnishing, use, operation, management, occupancy, financing or sale thereof;

**1.2.4. Stock.** All shares of stock or other evidence of ownership of any part of the Property or the Collateral that is owned by Trustor in common with others, including all water stock relating to the Property, if any, and all documents and rights of membership in any owners' or members' association or similar group having responsibility for managing or operating any part of the Property or the Collateral;

**1.2.5. Other.** Without limiting the above, all goods, accounts, documents, instruments, money, deposit accounts, chattel paper and general intangibles, as those terms are defined in the Commercial Code from time to time in effect in the State of California, in any way relating to the Property (including the design, development, construction, improvement, equipping, furnishing, use, operation, management, occupancy, financing or sale thereof); and

**1.2.6. Proceeds.** All proceeds, replacements, substitutions, products, accessions, and increases of the foregoing, including such proceeds, replacements, substitutions, products, accessions and increases within any one or more of the following types of collateral: goods, equipment, inventory, instruments, chattel paper, documents, accounts or general intangibles.

**1.3. Fixture Filing.** The personal property in which Beneficiary has a security interest includes goods which are or will become fixtures on the Property. This Deed of Trust is intended to serve as a fixture filing pursuant to Sections 9313 and 9402 of the California Commercial Code. Trustor is the "debtor"; Beneficiary is the "secured party"; and the addresses of each are as specified in the first paragraph of this Deed of Trust.

**1.4. Obligations Secured.** The grants, assignments and transfers made in Sections 1.1 and 1.2 hereof are for the purpose of securing, in such order of priority as Beneficiary, in its absolute discretion, may determine, the following (collectively the "Secured Obligations"):

**1.4.1. Obligations.** Payment and performance by Borrower of all of the Obligations;

**1.4.2. Other Sums.** Payment of all other sums, with interest as herein provided, becoming due or payable under the provisions of this Deed of Trust to Trustee or Beneficiary;

**1.4.3. Performance.** Due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained in this Deed of Trust or any instrument or agreement given to evidence or further secure the payment and performance of any obligation secured hereby; and

**1.4.4. Additional Amounts.** Payment of such additional sums, with interest thereon, as may now or hereafter be borrowed from Beneficiary, its successors or assigns, by Trustor or the then record owner of the Property and evidenced by one or more promissory notes or other agreements which are by their terms secured by this Deed of Trust.

## **ARTICLE 2. COVENANTS OF TRUSTOR**

TO PROTECT AND MAINTAIN THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

**2.1. Payment and Performance of Obligations When Due.** Trustor shall promptly pay, or cause Borrower to pay, when due, all amounts due as part of the Secured Obligations and perform, observe and discharge every condition, obligation, covenant and agreement thereof. Trustor shall also perform, observe and discharge every condition, obligation, covenant and agreement of Trustor's under any documentation related to, governing or evidencing a loan from any entity which is a beneficiary under a deed of trust senior in priority to this Deed of Trust.

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**2.2. Ownership, Maintenance and Preservation of Property and Collateral; Compliance with Law.**

**2.2.1. Good Condition.** Trustor shall maintain and keep the Property and the Collateral in good condition and repair and shall not commit or permit waste or unreasonable depreciation of any part thereof.

**2.2.2. Repair.** Trustor shall promptly repair, replace or restore (in a good, workmanlike manner and in compliance with all laws, ordinances, governmental rules and regulations, easements, agreements, covenants, conditions and restrictions affecting the Property) all buildings, improvements, machinery, equipment, appliances and fixtures now or hereafter on the Property, in the event of damage thereto or destruction thereof. Trustor shall promptly replace every part of the Collateral that may be damaged, destroyed, consumed, worn out, lost, or rendered obsolete or otherwise unfit for use in the operation of the Property, with other Collateral which shall be: (a) in good operating condition, with a value and utility at least equal to that of the replaced Collateral in usable condition and good repair; (b) owned by Trustor free and clear of all liens and encumbrances; and (c) subject to Beneficiary's security interest hereunder.

**2.2.3. Free of Liens.** Trustor is, and as to portions of the Collateral to be acquired hereafter will be, the sole owner of the Collateral, free from any adverse lien, security interest or other claim, other than the security interest granted hereby, any security interest consented to in writing by Beneficiary or in an amount of less than \$5,000 per item, and any security interest in favor of a lender in connection with a loan secured by a deed of trust encumbering the Real Property and senior in priority to this Deed of Trust. All of the Collateral shall be and remain located on the Property, except as Beneficiary may consent in writing. Trustor shall not sell or remove from the Property any of the Collateral unless: (a) such Collateral is inventory sold in the ordinary course of business and is promptly replenished with like Collateral of equivalent value; or (b) Beneficiary has consented thereto in writing, and under such conditions as Beneficiary may impose; or (c) such Collateral is concurrently replaced with like Collateral of equivalent value in which Beneficiary has a security interest.

**2.2.4. Compliance.** Trustor shall comply with, make all payments and take all actions required under all laws, ordinances, regulations, covenants, conditions, restrictions and requirements of governmental authorities now or hereafter affecting the Property or the Collateral, including, without limitation, those relating to environmental conditions and/or hazardous or toxic wastes or substances, and shall not commit, suffer or allow any act to be done in violation thereof; provided, however, that Trustor shall not be required to comply with any thereof which Trustor is diligently contesting in good faith and by proper proceedings and for which a bond or other security to prevent impairment of Beneficiary's security is posted as Beneficiary may require.

**2.2.5. Prompt Payment.** In the performance of all such acts and all other acts required by this Deed of Trust, Trustor shall promptly pay when due, at its own expense, all expenses incurred and shall promptly pay, discharge or otherwise satisfy all claims for labor performed and materials furnished in connection therewith.

**2.3. Entry and Inspections.** Beneficiary and Trustee and their agents, attorneys, employees and contractors may enter upon any part of the Property at all reasonable times to attend to Beneficiary's or Trustee's interests, respectively, inspect the Property and the Collateral, or perform any act which Beneficiary or Trustee, respectively, is authorized to perform hereunder. Trustor shall cooperate in such entries and inspections as Beneficiary or Trustee may request.

**2.4. Taxes and Assessments; Liens.**

**2.4.1. Payment.** Trustor shall pay when due all taxes and assessments against the Property and against the Collateral and all claims and demands arising from Trustor's ownership, development, construction,

use or occupancy thereof. Trustor shall, upon the written request of Beneficiary, provide, at its expense, realty tax service until reconveyance of this Deed of Trust.

**2.4.2. Protection of the Property.** Trustor shall not permit any lien or security interest prior or equal to the lien and security interest of this Deed of Trust to be imposed upon or to exist against the Property or the Collateral, other than (a) the lien of taxes and assessments not delinquent, (b) any lien permitted under the provisions of Section 2.4.3 below, and (c) the lien of any deeds of trust which encumbers the Property as of the date of this Deed of Trust.

**2.4.3. Trustor's Right to Contest.** Trustor may withhold payment of any contested taxes, assessments, claims or demands, or contest any lien, if Trustor is diligently prosecuting its contest in good faith and in proper proceedings, so long as Beneficiary's interest in the Property and the Collateral is not jeopardized. If any part of the Property or the Collateral is subjected to a lien not discharged within ten (10) calendar days following Trustor's knowledge of such lien, Trustor shall deposit with Beneficiary cash in an amount adequate to provide for, or shall post a surety bond which causes the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue thereon. Beneficiary shall have the right to apply any such amounts on deposit to so discharge the lien at any time if necessary to prevent enforcement of such lien, or to prevent accrual of interest, attorneys' fees or other charges thereon in excess of amounts on deposit, notwithstanding the pendency of any contest. In any contest Trustor shall defend itself and Beneficiary and shall satisfy any final adverse judgment before enforcement against the Property or the Collateral. Trustor shall name Beneficiary as an additional obligee under any surety bond furnished in the contest proceedings.

**2.4.4. Evidence of Payment of Taxes or Assessments.** Trustor shall upon demand furnish to Beneficiary evidence of payment of all taxes or assessments and shall authorize the appropriate governmental official to deliver to Beneficiary at any time a written statement of the taxes and assessments against the Property or the Collateral.

**2.5. Insurance.**

**2.5.1. Maintenance of Insurance.** Trustor shall procure and maintain insurance as required in the loan documents governing any loan secured by a Deed of Trust which is now, or at any time in the future, senior in priority to this Deed of Trust; provided, however, that the amount of coverage provided by each such insurance policy shall equal or exceed the aggregate principal amount of the Note and all debts secured by such prior liens.

**2.5.2. Trustor's Report on Insurance.** Annually, Trustor shall furnish to Beneficiary a report on each existing policy of insurance showing: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; and (d) the expiration date of the policy. Trustor shall upon Beneficiary's request have the insurer's appraiser determine the replacement cost of the Property and the Collateral.

**2.5.3. Insurance Proceeds.**

(a) Trustor shall promptly notify Beneficiary of any material loss or damage to the Property or the Collateral or any material portion thereof. Trustor irrevocably authorizes Beneficiary, as Trustor's attorney-in-fact, with full power of substitution, at Beneficiary's election, to make proof of loss, adjust and compromise any claim under insurance policies, commence, appear in and prosecute any action arising from such policies, collect and receive insurance proceeds, and deduct therefrom Beneficiary's expenses incurred in the collection thereof, including reasonable attorneys' fees, but Beneficiary shall not be responsible for any failure to collect any claim, proceeds or award for any reason.

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(b) Subject to the claim of any prior liens, Trustor hereby absolutely and unconditionally assigns to Beneficiary all insurance proceeds which it may be entitled to receive, and all such proceeds shall be paid to Beneficiary to be disposed of in accordance with the following:

(1) Beneficiary may, in its sole discretion, elect to apply such insurance proceeds or any portion thereof to any one or more of the Secured Obligations, whether or not then due, in such order and to such installments thereof as Beneficiary may elect; and/or hold such insurance proceeds or any portion thereof in a non-interest-bearing account to be used for the cost of replacement, reconstruction, repair, or alteration of the Property or the Collateral (collectively "Repair"), and/or release such insurance proceeds or any portion thereof to Trustor.

(2) Notwithstanding the foregoing, Beneficiary shall permit use of such proceeds for Repair if all of the following conditions are satisfied: (a) Trustor is not in default hereunder and Borrower is not in default under any of the Loan Documents; (b) Beneficiary's security is not and will not be impaired; (c) income from the Property (or insurance for loss of such income) will be sufficient to pay all debt service and operating expenses of the Property during the Repair and thereafter, if the Property generates income; (d) the insurance required to be maintained hereunder will be available to Trustor during the Repair and thereafter; (e) Beneficiary has approved the plans and specifications for the Repair; (f) the Repair is, in Beneficiary's reasonable judgment, economically feasible; and (g) Trustor has deposited with Beneficiary, within five (5) calendar days of demand by Beneficiary, any amount which Beneficiary determines to be necessary to effect the Repair in excess of insurance proceeds available therefor. Insurance proceeds to be disbursed for Repair will be disbursed in accordance with such fund control procedures as Beneficiary may require. The receipt, application, use or release of insurance proceeds by Beneficiary shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any act done pursuant to such notice.

**2.5.4. Transfer of Policies.** Upon any foreclosure under this Deed of Trust or other transfer of title to the Property in extinguishment of any portion of the Secured Obligations, all right, title and interest of Trustor in and to any insurance policy, unearned premiums thereon or proceeds thereof shall pass to the purchaser or grantee.

**2.6. Litigation; Attorneys' Fees.**

**2.6.1. Notice.** Trustor shall promptly notify Beneficiary of the commencement or threat of commencement of any litigation which seeks to or could materially affect any of the Property or the Collateral, the lien or security interest of this Deed of Trust, or the rights or powers of Beneficiary or Trustee hereunder. Trustor shall, at its own expense, appear in and defend any such litigation. Beneficiary and Trustee shall also have the right, but not the obligation, to appear in any such litigation, and Trustor shall pay all costs and expenses (including costs of evidence of title and attorneys' fees) of Beneficiary and Trustee in so appearing.

**2.6.2. Reimbursement.** In the event it becomes necessary for Beneficiary to utilize legal counsel for the enforcement of this Deed of Trust or the Secured Obligations, or the prevention of a breach thereof, if successful in such enforcement by legal proceedings or otherwise Beneficiary shall be reimbursed immediately by Trustor for reasonably-incurred attorneys' fees and other costs and expenses. Trustor shall also immediately reimburse Beneficiary for all attorneys' fees and costs reasonably incurred in connection with the representation of Beneficiary in any bankruptcy, insolvency, reorganization or other debtor-relief or similar proceeding of or relating to Trustor, any person liable (by way of guaranty, assumption, endorsement or otherwise) upon any of the Secured Obligations, the Property, the Collateral, or any other property which secures any of the Secured Obligations. All such amounts shall bear interest from the date of expenditure until paid at the Default Rate (as defined in the Note).

**2.7. Performance of Obligations by Beneficiary or Trustee.** Should Trustor or Borrower fail to make any payment, perform any obligation or do any act set forth in or secured by this Deed of Trust, Beneficiary or Trustee (at the request of Beneficiary), without obligation to do so, without notice to or demand upon Trustor and without releasing Trustor from making such payments, performing such obligations or doing such acts, then or in the

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future, may make such payment, perform such obligation or do such act in such manner and to such extent as Beneficiary or Trustee may deem necessary to protect the security of this Deed of Trust. Without limiting the foregoing, Beneficiary or Trustee may pay, purchase, contest or compromise any encumbrance, charge or lien which, in the sole judgment of Beneficiary or Trustee, appears to be prior or superior to this Deed of Trust. In exercising any such power, Beneficiary or Trustee may pay all necessary expenses incurred therefor including reasonable attorneys' fees. Trustor shall pay, immediately and without demand, all sums so expended by Beneficiary or Trustee, with interest, from the date of expenditure, at the Default Rate.

**2.8. Condemnation.**

**2.8.1. Notice.** Trustor shall promptly notify Beneficiary of any pending or threatened action to condemn or take under eminent domain any of the Property or the Collateral. Trustor irrevocably authorizes Beneficiary, as Trustor's attorney-in-fact, with full power of substitution, at Beneficiary's election, to make claim for compensation, adjust and compromise any claim, commence, appear in and prosecute any action arising from such condemnation, collect and receive condemnation awards, and deduct therefrom Beneficiary's expenses incurred in the collection thereof, including reasonable attorneys' fees, but Beneficiary shall not be responsible for any failure to collect any claim or award for any reason.

**2.8.2. Proceeds.** Subject to the claims of any prior liens, Trustor hereby absolutely and unconditionally assigns to Beneficiary all condemnation awards, damages and compensation which it may be entitled to receive, all of which shall be paid to Beneficiary to be disposed of in the same manner as provided in Section 2.5.3(b) hereof relating to insurance proceeds. Trustor waives the benefit of any law or decision contrary thereto, and hereby agrees to execute such further assignments thereof as Beneficiary may require.

**2.9. Estoppel Certificates.** Trustor will promptly furnish, upon Beneficiary's request from time to time, a duly acknowledged written statement specifying: (a) all amounts believed by Trustor to be due on the Secured Obligations; (b) the existence and details of any modifications of the Secured Obligations asserted by Trustor (or specifying that there are no such modifications); (c) the existence and details of any offsets, defenses or counterclaims asserted by Trustor which would in any way affect any liability of Trustor on any of the Secured Obligations (or specifying that there are no such offsets, defenses or counterclaims); and (d) such other matters as Beneficiary may reasonably require. Trustor's failure to provide any such statement, or to specify any asserted modification, offset, defense or counterclaim, shall conclusively establish the absence of any such modification, offset, defense or counterclaim.

**2.10. Leases.** If any portion of the Property or Collateral is leased or to be leased by Trustor as lessor, subject to Section 4.4.1 hereof:

**2.10.1. Performance.** Trustor shall perform all covenants of the lessor under such leases.

**2.10.2. Subordination.** Each such lease shall be absolutely subordinate to the lien and security interest of this Deed of Trust, but shall contain a provision satisfactory to Beneficiary that in the event of a foreclosure sale hereunder, such lease, at the option of the purchaser at such sale, shall not be terminated and the tenant thereunder shall attorn to such purchaser as lessor.

**2.10.3. Approved Form.** Each such lease shall be on reasonable commercial terms using a lease form approved by Beneficiary (which approval shall not be unreasonably withheld). Promptly following the execution of each such lease, Trustor shall provide to Beneficiary a fully-executed copy thereof. Upon request, Trustor shall provide to Beneficiary a current rent roll specifying the names of tenants, the space leased, rent reserved, and the status of performance of each tenant.

**2.11. Contracts, Leases, Permits, Licenses, Franchises.** With respect to Property or Collateral consisting of rights in or under contracts, leases, permits, licenses, franchises and the like, other than those of

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inconsequential value and the breach or loss of which could have no material adverse effect upon Trustor, the Real Property, or any of the remaining Property or Collateral (collectively, the "Agreements"), Trustor shall, at its sole cost and expense: (a) perform and satisfy every obligation and condition of the Agreements to be performed or satisfied by Trustor; (b) give prompt notice to Beneficiary of any notice of default given or received by Trustor under any Agreements, together with a complete copy of any such notice of default; (c) enforce, short of termination, the performance and satisfaction of every obligation and condition of the Agreements to be performed or satisfied by the other parties thereto; and (d) appear in and defend any action arising out of or relating to the Agreements or the obligations of any party thereunder.

### ARTICLE 3. ABSOLUTE ASSIGNMENT OF RENTS

**3.1. Absolute Assignment of Rents.** Subject to the rights of any prior liens, Trustor absolutely and unconditionally hereby assigns and transfers to Beneficiary all of the Rents; reserving to Trustor only a revocable license, prior to any default hereunder (which right shall terminate immediately and automatically upon any such default, without notice), to collect, receive and retain the Rents as they become due and payable, but not otherwise. Trustor shall, at the request of Beneficiary, execute such further assignments to Beneficiary of such leases, agreements and Rents as Beneficiary may require.

**3.2. Rights Upon Default.** Upon any default hereunder, Beneficiary may, at any time and without notice, irrespective of whether a notice of default has been delivered to Trustee, and without regard to the adequacy of the security for the Secured Obligations, in person or by agent or representative with or without bringing any action or proceeding, or by a receiver appointed by a court, do any one or more of the following, in its own name or in the name of Trustor: (a) enter upon, take possession of and/or operate the Property or any part thereof; (b) sue for or otherwise collect and receive the Rents (including those past due and unpaid) and apply such Rents (less costs and expenses of operation (including reserves) and collection, including attorneys' fees and expenses) to the payment of the Secured Obligations in such order and in proportions as Beneficiary in its absolute discretion may determine; (c) do any other acts which Beneficiary deems proper to protect this Assignment and its interests hereunder until all of the Secured Obligations are paid in full; and (d) exercise any other right permitted by law. The exercise of any of the foregoing rights shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice, nor render Beneficiary a mortgagee in possession.

### ARTICLE 4. DEFAULT; REMEDIES; ACCELERATION

**4.1. Events of Default.** It shall be a default under this Deed of Trust and under the Secured Obligations if:

**4.1.1. Nonpayment.** Trustor or Borrower fails to pay or deposit, or cause to be paid or deposited, any amount when due on any of the Secured Obligations;

**4.1.2. Breach.** Trustor breaches or fails to satisfy or perform any condition, covenant or other provision of this Deed of Trust, subject to the following:

(a) Except as provided in Section 4.1.2(b) hereof, if in Beneficiary's reasonable judgment such breach or failure does not result in or relate to an emergency situation and is not incurable, then such breach or failure shall not constitute a default hereunder unless continued for a period of thirty (30) calendar days after notice thereof from Beneficiary (or such other time period as may be specified elsewhere herein with respect to the particular breach or failure); and

(b) If such breach or failure is also a default under any provision of this Section 4.1 other than Section 4.1.2 hereof, then Section 4.1.2(a) hereof shall not apply thereto, and shall not be a condition to the occurrence of a default based thereupon; provided, however, that any breach or failure under Section 4.1.4, 4.1.5, 4.1.6, 4.1.7 or 4.1.8 hereof shall not constitute a default hereunder unless continued for a period of ten (10) calendar

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days after notice thereof from Beneficiary (or such other time period as may be specified elsewhere herein with respect to the particular breach or failure);

**4.1.3. Other Default.** Any other event occurs which, under any instrument or agreement evidencing, securing, guarantying or otherwise relating to any of the Secured Obligations, and subject to any provision for notice and cure set forth in such instrument or agreement, constitutes a default of Trustor or any person liable (by way of guaranty, assumption, endorsement or otherwise) upon any of the Secured Obligations or gives Beneficiary the right to declare the maturity of any of the Secured Obligations;

**4.1.4. Representation and Warranty.** Any representation or warranty in this Deed of Trust or in any other instrument or agreement evidencing, securing, guarantying or otherwise relating to any of the Secured Obligations is or becomes untrue or misleading in any material respect;

**4.1.5. Liens.** Subject to the provisions of Section 2.4.3 hereof, any claim of lien is filed against the Property or Collateral or any part thereof, or any interest or right made appurtenant thereto, or a notice to withhold funds is served upon Beneficiary;

**4.1.6. Leasehold Default.** If any portion of the Property or Collateral is a leasehold estate or interest, there occurs any event which constitutes a default of Trustor as lessee under the lease creating such estate or interest, or gives the lessor thereunder the right to terminate such lease;

**4.1.7. Change in Status.** The legal status of Trustor, Borrower or any guarantor of the Secured Obligations is materially amended or modified, terminated or canceled without the prior written consent of Beneficiary;

**4.1.8. Adverse Change.** There occurs any event which, in the reasonable discretion of Beneficiary, materially adversely affects: (a) the performance by Trustor, Borrower or any guarantor of any of the Secured Obligations or any agreement relating to the Secured Obligations or this Deed of Trust; (b) the priority or security of Beneficiary's lien and security interest on the Property or Collateral; (c) the business or financial condition of Trustor, Borrower or any guarantor of the Secured Obligations; or (d) the business, financial condition, operations or value of the Property or Collateral;

**4.1.9. Other Obligations.** There exists a default under any deed of trust, mortgage, lien or security agreement affecting or relating to the Property or the Collateral; or

**4.1.10. Other Agreements.** Trustor, Borrower or any entity which, in whole or in part, controls, is controlled by, or is under common control with Trustor or Borrower, breaches or fails to satisfy or perform any covenant, condition or provision of any agreement with Beneficiary.

**4.2. Remedies.**

**4.2.1. Description.** If there occurs an event of default under this Deed of Trust, five (5) days after written notice to Trustor of such event of Default, Beneficiary may, at its sole option, without any further notice to or demand upon Trustor, do any one or more of the following:

(a) Declare any or all of the Secured Obligations immediately due and payable, irrespective of any otherwise-applicable maturity date;

(b) Enter on or into the Property, in person, by agent or by court-appointed receiver, and take such action as Beneficiary may determine desirable to complete any unfinished development and/or to manage and operate the Property and/or the Collateral and/or to collect the Rents, and Beneficiary may apply any Rents collected against the Secured Obligations without in any way curing or waiving any default of Trustor;

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(c) Foreclose, non-judicially and/or by judicial action, in any order, separately or together, at the same or different times and places, against some or all of the Property, the Collateral, and/or any other real or personal property security for the Secured Obligations, without waiving any other part thereof;

(d) Require Trustor to assemble any or all of the Collateral and make it available to Beneficiary in a place designated by Beneficiary, and sell the Collateral at the Property or elsewhere, with or without having the Collateral at the place of sale;

(e) Without removal, render the Collateral unusable and dispose of it on the Property;

(f) Enter upon the Property and possess and remove any or all of the Collateral without legal process, if Beneficiary can do so without a breach of the peace, or by legal action for possession;

(g) Exercise any or all other remedies now or in the future available to a secured party under the California Commercial Code;

(h) Obtain the appointment of a receiver ex parte; or

(i) Exercise any other legal, equitable or contractual right or remedy against Trustor and/or Borrower and/or any security and/or any other person liable (by way of guaranty, assumption, endorsement or otherwise) upon the Secured Obligations.

**4.2.2. Cumulative.** No remedy provided or permitted under this Deed of Trust is exclusive of any other, or of any remedy provided or permitted by law, equity or any instrument or agreement evidencing, securing, guarantying or relating to any of the Secured Obligations. Each such remedy is cumulative and in addition to every other. No exercise of remedies, including foreclosure, against any part of the Property or the Collateral shall extinguish Beneficiary's rights to exercise remedies, including foreclosure, against any other part of the Property or the Collateral until the Secured Obligations are paid in full. Beneficiary may exercise any one or more of its remedies at its option without regard to the adequacy of its security.

**4.2.3. Waiver.** No delay or omission of Trustee or Beneficiary in the exercise of any right, remedy or power accruing upon any event of default hereunder shall impair such right, remedy or power or any other, nor shall such delay or omission be deemed a waiver of or acquiescence in any default.

**4.3. Sale(s) by Trustee of the Property.**

**4.3.1. Procedure.** If Beneficiary elects to sell any of the Property (separately from or together with all or any part of the Collateral) under the power of sale herein granted, Trustee shall record and give all notices of default, election to sell and sale(s) as may be required by law. Upon the expiration of such time as is required by law, Trustee shall, without demand on Trustor, sell the Property (and, if so directed by Beneficiary, all or any portion of the Collateral) upon any terms and conditions specified by Beneficiary and permitted by law, at the time and place (or the times and places) fixed in the notice(s) of sale(s), as a whole or in separate parcels or items, and in such order, as Beneficiary may direct in its sole discretion, at public auction(s) to the highest bidder for cash payable at the time of sale(s). Trustor waives all rights: (a) to require that the Property and/or Collateral be sold together or separately; (b) to direct the order in which any of the Property or Collateral will be sold; and (c) to have any of the Property or Collateral marshalled upon any sale. Trustee may postpone any sale from time to time by public announcement at the time and place of the sale as fixed by notice or by prior postponement.

**4.3.2. Deed.** Any person, including Trustee or Beneficiary, may purchase at such sale. Trustee shall deliver to the purchaser a deed conveying the Property or portion thereof sold, but without any

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covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof.

**4.3.3. Proceeds.** Upon a sale by Trustee, and after deducting all costs, expenses, and fees of Trustee and of this trust (including the cost of evidence of title in connection with the sale), Trustee shall apply the proceeds from the sale to the payment of the Secured Obligations in such order as Beneficiary may direct and the remainder, if any, to the person or persons legally entitled thereto.

**4.4. Acceleration of Indebtedness Upon Sale of the Property and Upon Change in Ownership, Control, or Membership of Trustor.**

**4.4.1. Due on Sale.** In the event Trustor, or any successor in interest to Trustor in the Property, sells, conveys, alienates, leases (other than the sale of individual homes to the ultimate users/occupants thereof), assigns, transfers, encumbers or disposes of the Property, or any part thereof or any interest therein, or becomes divested of its title or any interest therein in any manner or way, absolutely or for security, voluntarily or involuntarily, or enters into an agreement to do so, without the prior written consent of Beneficiary, then Beneficiary may, at its election, declare the Secured Obligations, irrespective of any otherwise-applicable maturity date, immediately due and payable without notice.

**4.4.2. Change in Control.** If Trustor or Borrower or any successor in interest to Trustor in the Property, is a corporation, trust, limited liability company or partnership, should there occur a sale, conveyance, transfer, disposition or encumbrance, absolute or for security, voluntary or involuntary, or should an agreement be made to do so, without the prior written consent of Beneficiary, with respect to more than forty percent (40%) of the issued and outstanding capital stock of Trustor, Borrower or such successor (if a corporation), or with respect to any beneficial interest in Trustor, Borrower or such successor (if a trust), or with respect to fifty percent (50%) of any general partner interest or member interest in Trustor, Borrower or such successor (if a general or limited partnership or joint venture or limited liability company) or if there shall occur such a change in any general partner, member or joint venturer in Trustor, Borrower or such successor, then Beneficiary may, at its election, declare the Secured Obligations, irrespective of any otherwise applicable maturity date, immediately due and payable without notice. Notwithstanding the foregoing, the transfer of any interest in Trustor or Borrower (or any general partner or member of Trustor or Borrower) solely for estate planning purposes or by operation of law as a result of the death or permanent disability of any person shall not permit Beneficiary to declare the Secured Obligations due and payable.

**4.4.3. Written Waiver.** No waiver of the requirement of consent by Beneficiary as set forth herein shall be effective unless in writing. Consent by Beneficiary to any one or more transactions described in Sections 4.4.1 or 4.4.2 hereof shall not constitute nor be deemed to be a consent, or waiver of the requirement of consent, as to any future or succeeding transactions.

**4.5. Acceleration of Indebtedness Upon an Event of Bankruptcy or Insolvency.** Beneficiary may, at its election, declare the Secured Obligations, irrespective of any otherwise-applicable maturity date, immediately due and payable, without notice, if: (a) any proceeding under the Bankruptcy Code, or under any present or future federal, state or other statute, law or regulation pertaining to bankruptcy, insolvency or other relief for debtors shall be instituted by or against Trustor, Borrower or any other person who may be liable (by way of guaranty, assumption, endorsement or otherwise) upon the Secured Obligations; or (b) a receiver or custodian shall be appointed for Trustor, Borrower or such other person or the Property or if Trustor, Borrower or such other person shall make an assignment for the benefit of creditors and if such receiver or custodian shall not be dismissed, or such assignment shall not be voided, within sixty (60) calendar days of such institution, appointment or making.

**ARTICLE 5. MISCELLANEOUS PROVISIONS**

**5.1. Acceptance of Trust, No Duty to Notify.** Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is under no obligation to

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notify any party hereto of any action or proceeding in which Trustor, Beneficiary or Trustee is a party, unless brought by Trustee hereunder.

**5.2. Substitution of Trustees.** Beneficiary may, from time to time, by written instrument executed and acknowledged by Beneficiary and recorded in the county where the Real Property is located, substitute a successor or successors to any Trustee named herein or acting hereunder.

**5.3. Affidavit to Trustee.** Trustee, upon presentation to it of an affidavit signed by or on behalf of Beneficiary setting forth any fact(s) showing a default by Trustor under this Deed of Trust, is authorized to accept as true and conclusive all facts and statements in such affidavit and to act hereunder in complete reliance thereon.

**5.4. General Rights of Beneficiary and Trustee.** At any time or from time to time, without liability therefor, without notice and without affecting the liability of any person (including Trustor and Borrower) for the payment or performance of any of the Secured Obligations or the lien and security interest of this Deed of Trust:

**5.4.1. Actions by Beneficiary.** Beneficiary may do any one or more of the following: release any person liable for the payment or performance of any of the Secured Obligations; extend the time or otherwise alter the terms of payment of any of the Secured Obligations; accept additional security therefor of any kind, including deeds of trust and mortgages; and alter, substitute or release any portion of the Property or the Collateral securing the Secured Obligations; or

**5.4.2. Actions by Trustee.** Trustee may, upon the written consent of Beneficiary, do any one or more of the following: consent to the making of any map or plot of the Property; join in granting any easements or creating any restrictions on the Property; and join in any extension agreement or any agreement subordinating the lien or charge of this Deed of Trust.

**5.5. Full Reconveyance.** Upon written request of Beneficiary stating that all of the Secured Obligations have been paid, upon surrender of this Deed of Trust to Trustee for cancellation and retention and upon payment to Trustee of its fees, costs and expenses incurred or to be incurred thereby, Trustee shall reconvey, without warranty, 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 such reconveyance may be described as "the person or persons legally entitled thereto."

**5.6. Acceptance of Late and Partial Payments.** The acceptance by Beneficiary of the payment of any of the Secured Obligations or any installment thereof after its due date shall not constitute a waiver of the right to require prompt payment when due of all other and future Secured Obligations or installments, or to declare a default as herein provided for any failure to so pay, or to proceed with foreclosure or other remedies for any other default then existing. The acceptance by Beneficiary of a portion of any amount due on any Secured Obligation shall neither cure nor excuse the default caused by failure to pay the whole amount due or affect any notice of default, unless such notice is expressly revoked in writing by Beneficiary. Such acceptance shall not constitute a waiver of Beneficiary's rights to require full payment when due of all other and future sums.

**5.7. Partial Invalidity of this Deed of Trust.** In the event any one or more of the provisions of this Deed of Trust or the instruments or agreements reflecting the Secured Obligations are held to be invalid, illegal, unenforceable or avoidable in any respect, no other provision of this Deed of Trust, or of any such other instrument or agreement, shall be affected thereby, and such other provisions shall remain binding and enforceable.

**5.8. Governing Law.** This Deed of Trust has been executed and delivered in, and is to be construed, enforced and governed according to and by the internal laws of, the State of California, except to the extent federal law applies.

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**5.9. Parties Benefitted.** Subject to Section 4.4 hereof, this Deed of Trust applies to, inures to the benefit of and binds all parties hereto and their respective heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Beneficiary" shall mean the owner and holder, including pledgees and assignees, of any of the Secured Obligations.

**5.10. Waiver of Limitations.** Trustor waives the pleading of any statute of limitations as a defense to the Secured Obligations to the fullest extent permissible by law.

**5.11. Waiver.** To the extent permitted by law, Trustor waives the benefit of all laws now existing or hereafter enacted providing for any appraisal before sale of any portion of the Property, extension of the time for performance of the Secured Obligations, or creation or extension of a period of redemption from any sale. Trustor further waives all rights and remedies which Trustor may have or be able to assert by reason of the laws or decisions pertaining to the rights and remedies of sureties.

**5.12. Tax.** In the event of the passage, after the date of this Deed of Trust, of any law deducting from the value of real property, for tax purposes, any lien or charge thereon, or changing in any way the laws now existing for the taxation of deeds of trust or indebtedness secured by deeds of trust for federal, state or local purposes, or changing the manner of collection of any such taxes as to affect this Deed of Trust or the Secured Obligations, Trustor agrees to pay such tax arising from such new law unless it would be illegal to do so. If Trustor fails to do so, Beneficiary may, at its election and without demand or notice, declare the Secured Obligations immediately due and payable.

**5.13. Notices.** All notices hereunder shall be deemed to have been duly given if personally delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, to the parties at their addresses set forth in the first paragraph hereof, or such other addresses as they may designate by notice thereof, and shall be deemed complete upon such mailing.

**5.14. Statements of Indebtedness.** Trustor agrees to pay Beneficiary reasonable charges, not to exceed the maximum allowed by law, for giving any statement of the status of the Secured Obligations.

**5.15. Joint and Several Obligations.** If more than one person has executed this Deed of Trust as "Trustor," the obligations of all such persons shall be joint and several. Any married person who executes this Deed of Trust agrees that recourse may be had against his or her separate property. If Trustor is a partnership, the obligations of Trustor shall be the joint and several obligations of all general partners therein.

**5.16. Interpretation.** Wherever used in this Deed of Trust, unless the context otherwise indicates a contrary intent, or unless otherwise specifically provided herein, the word "Trustor" shall mean and include both Trustor and any subsequent owner or owners of the Property, and the word "Beneficiary" shall mean and include not only the original Beneficiary hereunder but also any future owner and holder, including pledgees and assignees, of the Note secured hereby. In this Deed of Trust whenever the context so requires, the masculine, feminine and neuter genders shall include the others, and the singular number includes the plural and conversely. In this Deed of Trust, the use of the word "including" shall not be deemed to limit the generality of the term or clause to which it has reference, whether or not nonlimiting language (such as "without limitation," or "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other matters that could reasonably fall within the broadest possible scope of such general statement, term or matters. The captions and headings of the Articles and Sections of this Deed of Trust are for convenience only and are not to be used to interpret, define or limit the provisions hereof. As used herein the term "person" means any individual, corporation, partnership, governmental authority, or other entity of any kind.

**5.17. Trustor's Waiver of Rights.** Trustor waives the benefit of all laws now existing or that hereafter may be enacted providing for: (i) any appraisal before sale of any portion of the Property; and (ii) the benefit of all laws that may be hereafter enacted in any way extending the time for the enforcement of the collection of the Note or the debt evidenced thereby or creating or extending a period of redemption from any sale made in collecting

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said debt. To the full extent Trustor may do so, Trustor agrees that Trustor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, and Trustor, for Trustor, Trustor's heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the Property, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness and marshalling in the event of foreclosure of the liens hereby created. If any law referred to in this Section and now in force, of which Trustor, Trustor's heirs, devisees, representatives, successors and assigns or other person might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section. Trustor expressly waives and relinquishes any and all rights and remedies that Trustor may have or be able to assert by reason of the laws of the State of California pertaining to the rights and remedies of sureties.

**5.18. Counterparts.** This Deed of Trust may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute but one and the same instrument.

**5.19. Due Authority.** Each signatory for each respective party hereunder represents and warrants that he, acting with the other signatory for such party, has all due authority necessary to execute this Deed of Trust on behalf of such party.

**5.20. Hazardous Material.**

**5.20.1. Indemnification.** Trustor shall comply with any and all applicable requirements of law governing the discharge and removal of Hazardous Material (as defined herein), shall pay immediately when due the costs of removal of any Hazardous Material, and shall keep the Property free of any lien imposed pursuant to such requirements of law. In the event Trustor fails to do so, after notice to Trustor and the expiration of the earlier of: (i) applicable cure periods hereunder; or (ii) the cure period permitted under the applicable requirements of law, Beneficiary may declare such failure an Event of Default or cause the Property to be freed from the Hazardous Material and the cost of the removal with interest at the Default Rate (as defined in the Note) shall immediately be due from Trustor to Beneficiary. Except for any de minimus quantities of Hazardous Materials used in the ordinary operation of the Property and in compliance with all legal requirements ("De Minimus Quantities"), Trustor further agrees not to release or dispose of any Hazardous Material at the Property without the express written approval of Beneficiary and any such release or disposal shall comply with all applicable requirements of law and any conditions established by Beneficiary. In addition, Trustor agrees not to allow the manufacture, storage, transmission, presence or disposal of any Hazardous Material over or upon the Property except for any De Minimus Quantities. Beneficiary shall have the right, at reasonable times and on reasonable notice, after the occurrence and during the continuance of an Event of Default or at such time as there has been a release or disposal of Hazardous Materials on the Property in violation of any applicable legal requirement or whenever Beneficiary shall have other reasonable grounds to believe that an actual or potential violation of Hazardous Materials Laws (as defined herein) exists, to conduct an environmental audit of the Property and Trustor shall cooperate in the conduct of such environmental audit. Trustor shall give Beneficiary and its agents and employees access to the Property to remove Hazardous Material. Trustor agrees to defend, indemnify and hold Beneficiary free and harmless from and against all loss, cost, damage and expense (including attorneys' fees and costs and consequential damages) Beneficiary may sustain by reason of: (i) the imposition or recording of a lien by any governmental authority pursuant to any requirements of law relating to hazardous or toxic wastes or substances or the removal thereof ("Hazardous Material Laws"); (ii) claims of any private parties regarding violations of Hazardous Material Laws; (iii) costs and expenses (including, without limitation, attorneys' fees and costs and fees incidental to the securing of repayment of such costs and expenses) incurred by Trustor or Beneficiary in connection with the removal of any such lien or in connection with Trustor's or Beneficiary's compliance with any Hazardous Material Laws; and (iv) the assertion against Beneficiary by any party of any claim in connection with any Hazardous Material, except to the extent such loss, cost, damage or expense is the result of Beneficiary's action after Trustor is no longer in possession of the Property.

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**5.20.2. Definition.** For the purposes of this Deed of Trust, "Hazardous Material" means and includes any hazardous, nuclear, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, or any other requirements of applicable federal or state law regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, nuclear, toxic or dangerous waste, substance or material, as now or at any time in effect.

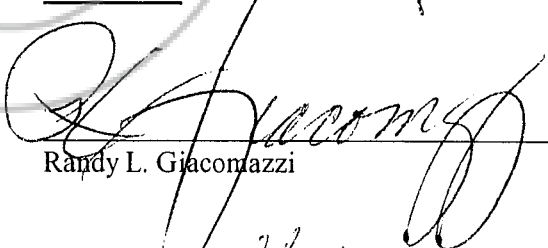
**5.20.3. Survival of Indemnity.** The foregoing indemnification shall be a recourse obligation of Trustor, shall be secured by this Deed of Trust and shall survive repayment of the Note notwithstanding any limitations on recourse which may be contained herein or in any Loan Documents or the delivery of any satisfaction, release or release deed, discharge or deed of reconveyance, or the assignment of this Deed of Trust by Beneficiary.

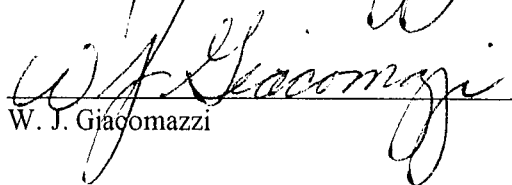
**5.20.4. Asbestos.** Trustor shall not install or permit to be installed in the Property friable asbestos or any substance containing asbestos and deemed hazardous by any requirements of law respecting such material, or any other building material deemed to be harmful, hazardous or injurious by relevant requirements of law and with respect to any such material currently present in the Property shall promptly either: (i) remove any material which such requirements of law deem harmful, hazardous or injurious and require to be removed; or (ii) otherwise comply with such requirements of law, at Trustor's expense. If Trustor shall fail to so remove or otherwise comply, after delivery of written notice to Trustor and failure of Trustor to cure such failure within a reasonable time, provided that Trustor is diligently prosecuting such cure, Beneficiary may declare an Event of Default and/or do whatever is necessary to eliminate such substances from the Property or otherwise comply with the applicable requirements of law, and the costs thereof, with interest at the Default Rate, shall be immediately due from Trustor to Beneficiary. Trustor shall give Beneficiary and its agents and employees access to the Property to remove such asbestos or substances. Trustor shall defend, indemnify, and hold Beneficiary harmless from all loss, cost, damage and expense (including attorneys' fees and costs and consequential damages) asserted or proven against Beneficiary by any party, as a result of the presence of such substances or any removal or compliance with such requirements of law, except to the extent such loss, cost, damage or expense is the result of Beneficiary's action after Trustor is no longer in possession of the Property. The foregoing indemnification shall be a recourse obligation of Trustor, shall be secured by this Deed of Trust and shall survive repayment of the Note, notwithstanding any limitation on recourse which may be contained herein or in any of the Loan Documents or the delivery of any satisfaction, release or release deed, discharge or deed of reconveyance, or the assignment of this Deed of Trust by Beneficiary.

**5.21. Request for Notice.** Trustor requests that a copy of any notice of default or any notice of sale hereunder be mailed to Trustor at the address set forth in the first paragraph hereof.

IN WITNESS WHEREOF, this Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (\$680,000 - Giacomazzi) has been duly executed as of the date first written above.

**TRUSTOR**

  
Randy L. Giacomazzi

  
W. J. Giacomazzi

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**ACKNOWLEDGMENT**

STATE OF ~~CALIFORNIA~~ <sup>Nevada</sup> )  
 ) ss.  
COUNTY OF Douglas )

On May 22, 2003, before me Susan M. Osband, personally appeared R.L. Giacomazzi, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Susan M. Osband  
Notary Public in and for said  
County and State

[SEAL]

**ACKNOWLEDGMENT**

STATE OF ~~CALIFORNIA~~ <sup>Nevada</sup> )  
 ) ss.  
COUNTY OF Douglas )

On May 22, 2003, before me W.S. Susan M. Osband, personally appeared W.S. Giacomazzi, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Susan M. Osband  
Notary Public in and for said  
County and State

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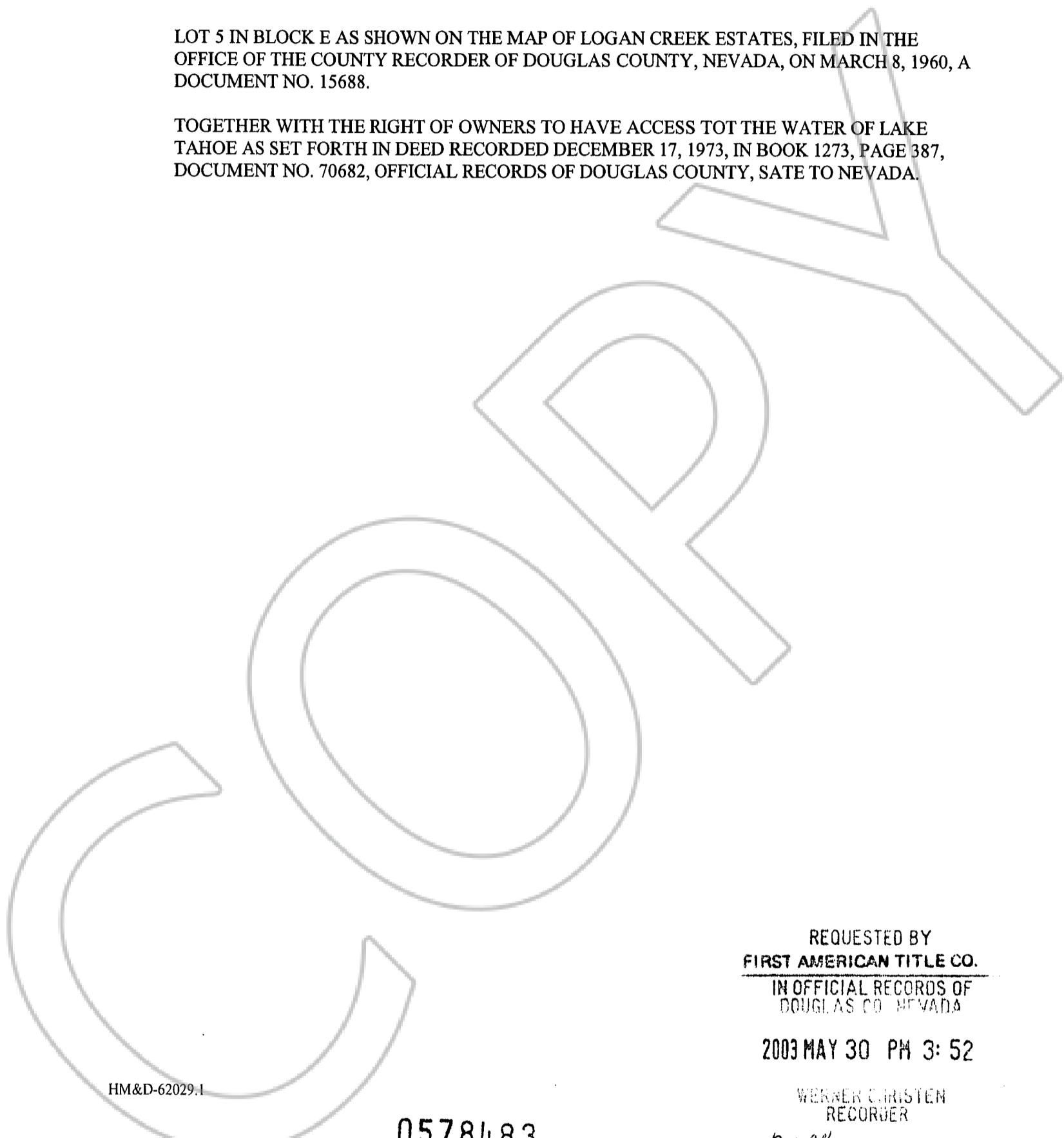


**LEGAL DESCRIPTION**

THAT CERTAIN REAL PROPERTY LOCATED IN THE COUNTY OF DOUGLAS, STATE OF NEVADA  
AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOT 5 IN BLOCK E AS SHOWN ON THE MAP OF LOGAN CREEK ESTATES, FILED IN THE  
OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, NEVADA, ON MARCH 8, 1960, A  
DOCUMENT NO. 15688.

TOGETHER WITH THE RIGHT OF OWNERS TO HAVE ACCESS TOT THE WATER OF LAKE  
TAHOE AS SET FORTH IN DEED RECORDED DECEMBER 17, 1973, IN BOOK 1273, PAGE 387,  
DOCUMENT NO. 70682, OFFICIAL RECORDS OF DOUGLAS COUNTY, SATE TO NEVADA.



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REQUESTED BY  
FIRST AMERICAN TITLE CO.  
IN OFFICIAL RECORDS OF  
DOUGLAS CO. NEVADA

2003 MAY 30 PM 3: 52

WERNER CHRISTEN  
RECORDER

\$ 30<sup>00</sup> PAID *Be* DEPUTY