

APN Nos. 1319-22-000-003; 1319-15-000-015;

Portion of 1319-22-000-004

RECORDED AT REQUEST OF:

WALLEY'S PARTNERS LIMITED PARTNERSHIP

2001 Foothill Road

Post Office Box 158

Genoa, Nevada 89411

2003 JUL -1 AM 9:28

RECORDED BY  
RECORDER

22<sup>00</sup> PAID *K2* DEPUTY

AFTER RECORDING RETURN TO:

STEWART TITLE OF DOUGLAS COUNTY

1702 County Road, Suite B

Minden, Nevada 89423

**AGREEMENT FOR CONSENT OF BENEFICIARY OF DEEDS OF TRUST**

**THIS AGREEMENT FOR CONSENT OF BENEFICIARY OF DEEDS OF TRUST** (the "**Agreement**") is made this 5<sup>th</sup> day of June, 2003, by and between **LIBERTY BANK**, a Connecticut non-stock mutual savings bank, with a business address at 291 Main Street, Middletown, CT 06457 ("**Beneficiary**"), and **WALLEY'S PARTNERS LIMITED PARTNERSHIP**, a Nevada limited partnership with a business address at 2001 Foothill Road, P.O. Box 158, Genoa, Nevada 89411 (the "**Owner**"), **WALLEY'S PROPERTY OWNERS ASSOCIATION**, a Nevada non-profit corporation with a business address at c/o JOAN C. WRIGHT, ESQ., 402 North Division Street, Carson City, NV 89703 ("**Association**").

**BACKGROUND**

1. Owner is the owner of a certain parcel of real property located at 2001 Foothill Road, Douglas County, Nevada as more fully described in **Exhibit "A"** attached hereto and made a part hereof, together with the buildings and improvements located thereon (the "**Property**").

2. Owner has entered into those two certain Deeds of Trust each dated June 5, 1998 between Owner, as Trustor, and Stewart Title of Douglas, as Trustee ("**Trustee**"), for the benefit of Beneficiary recorded in the Public Records of Douglas County, Nevada (the "**Recording Office**") in Book 0698 at Page 1755, and in Book 0698 at Page 1782. Both deeds of trust have since been amended by documents recorded in Book 0401 at Page 6170 and in Book 0401 at Page 6143, respectively (collectively, the "**Deeds of Trust**").

3. The Deeds of Trust encumber the Property and secure the repayment by Owner of certain credit facilities extended by Beneficiary to Owner (the "**Credit Facilities**"). The Credit Facilities are governed by a certain Acquisition, Construction and Subordinated Debt Loan Agreement and a certain Receivables Loan Agreement between Owner and Beneficiary (collectively,

as they may from time to time be amended, modified or restated, the "**Loan Agreements**") and other Loan Documents as defined in the Loan Agreements.

4. Owner has requested that Beneficiary consent to the recording of a Declaration of Annexation of David Walley's Resort Phase III (the "**Declaration of Annexation**") in the Recorder's Office of Douglas County, Nevada, in order to amend the timeshare project known as David Walley's Resort (the "**Project**"). In particular, the Declaration of Annexation annexes Phase III to the Project. Further, Owner has requested that Beneficiary consent to the recording of an Access Easement and Abandonment recorded September 20, 2002 as Document No. 0552534 in the Office of the Recorder of Douglas County, Nevada.

5. Beneficiary is agreeable to the recording of the Declaration of Annexation and Access Easement and Abandonment ("Access Easement") prior to or simultaneously with the recordation of this Agreement, on the terms and conditions set forth herein.

6. Unless provided herein to the contrary, all terms used herein and not defined herein shall have the meaning ascribed to them in the Fifth Amended and Restated Declaration of Time Share Covenants, Conditions and Restrictions for David Walley's Resort recorded on August 27, 2001 as Document 0521436 in the Recorder's Office of Douglas County, Nevada (the "**Time Share Declaration**").

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound hereby, agree as follows:

1. Beneficiary hereby consents to the recording of the Declaration of Annexation and Access Easement in the Recorder's Office and Beneficiary agrees that the Deeds of Trust shall be subject to the terms of the Time Share Declaration and Declaration of Annexation and Access Easement; provided, however, that this Agreement shall not be deemed to subordinate the liens of the Deeds of Trust to any lien, mortgage or encumbrance against or affecting the Property that is otherwise junior to the Deeds of Trust or any of them.

2. The subordination of the liens of the Deeds of Trust to the Declaration of Annexation pursuant to **Paragraph 1** of this Agreement shall have the same force and effect as though the Declaration of Annexation had been executed, delivered and recorded in the Recorder's Office prior to the execution, delivery and recording of the Deeds of Trust.

3. The lien of any Assessments against any Time Share Interest shall be subordinate in all respects to the liens of the Deeds of Trust.

4. Without affecting or releasing any obligations or agreement of Owner under this Agreement or the subordination provided herein, Beneficiary may at any time or times do any of the following with respect to the Credit Facilities, the Deeds of Trust or any other Loan

Documents: (a) amend, modify, alter or waive any of the terms thereof, (b) renew or extend the time for payment of all or any part thereof, (c) increase or decrease the amount thereof, (d) accept collateral security or guaranties therefor and sell, exchange, fail to perfect, release or otherwise deal with all or any part of any such collateral; (e) release any party primarily or secondary obligated thereon; (f) grant indulgences and take or refrain from taking any action with regard to the collection or enforcement thereof; and (g) take any action which might otherwise constitute a defense to or a discharge of Owner. Nothing contained in this Agreement shall impair any right of Beneficiary with respect to any amounts owed to it by Owner or any collateral security or guaranties therefor or the proceeds thereof. Nothing contained in this Paragraph 4 is intended to grant rights to Beneficiary affecting the Exchange Program, the Time Share Interests, the Units, the Common Areas or the Common Furnishings in any manner which would modify or materially affect or interfere with any Time Share Owner's rights thereto.

5. Owner agrees, as grantor of the Deeds of Trust, and as Declarant under the Declaration of Annexation, that, so long as the Time Share Declaration remains in effect in the Recording Office it shall not vote for and shall use its best efforts to cause the Association not to permit any of the following actions to be taken without the prior written approval of Beneficiary:

5.1 The termination of the timeshare regime established by the Time Share Declaration and Declaration of Annexation with respect to the Property, except for termination following a total taking of the Property by eminent domain, as may be permitted in the Time Share Declaration;

5.2 The partition or subdivision of any Time Share Interest or the common elements;

5.3 A change in the undivided interests in the Property attributable to each Time Share Interest; and

5.4 Any amendment of the Time Share Declaration or Declaration of Annexation or Bylaws of the Association which materially and adversely affects Beneficiary.

6. The Association agrees to deliver to Beneficiary at the address set forth in the heading of this Agreement written notice of the occurrence of a default by Owner of any obligation of Owner to the Association under the Time Share Declaration or Declaration of Annexation and further agrees to permit Beneficiary, at its option, without obligation, to cure any such default for a period of thirty (30) days prior to pursuing any right or remedy as a result of such default.

7. Owner agrees to deliver to Beneficiary at the address set forth in the heading of this Agreement copies of all notices received by the Owner in respect of the Association regarding any insurance maintained with respect to the Property, and all notices of damage, destruction or taking of any part of the Property. Owner agrees to deliver to Beneficiary, at the address set forth in the heading of this Agreement, copies of all financial statements and other information required

under the terms of the Time Share Declaration or Declaration of Annexation or the Bylaws or any other agreement between Owner and the Association to be delivered by Owner, as Declarant, to the Association, the directors of the Association or the owners of Time Share Interests promptly upon delivery thereof to the Association or such directors or such owners of Time Share Interests.

8. Owner and the Association agree that Beneficiary shall be included in the definition of "Mortgagee" in the Time Share Declaration and Declaration of Annexation, it being understood and agreed that Beneficiary shall be entitled to receive copies of all notices delivered to any other Mortgagee pursuant to the provisions of the Time Share Declaration and shall have the right to approve any and all matters as other Mortgagees are entitled to approve under the Time Share Declaration.

9. No provision of this Agreement shall in any way diminish any obligation of Owner under the Deeds of Trust or any other Loan Document by or on behalf of Owner to, or for the benefit of, Beneficiary.

10. Owner acknowledges and agrees that if Owner defaults under its obligations under the Credit Facilities, Beneficiary shall be entitled, upon recordation of that certain Assignment of Declarant's Rights delivered by Owner to Beneficiary as one of the Loan Documents, but shall have no obligation, to exercise all rights and privileges of Owner, as Declarant, under the Time Share Declaration and in the absence of the recordation of such Assignment of Declarant's Rights, upon the foreclosure of the Deeds of Trust, as owner of Time Share Interests acquired through such foreclosure or by a deed in lieu of foreclosure.

11. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties. For purposes of this Agreement, the neuter shall include the masculine and the feminine, the masculine shall include the feminine, the feminine shall include the masculine, the singular shall include the plural and the plural shall include the singular as the context may require.

12. This Agreement may not be amended or modified except by written agreement of Beneficiary and Owner. No consent or waiver hereunder shall be valid unless in writing and signed by Beneficiary and Owner.

13. This Agreement may be executed in any number of identical counterparts each of which, when executed by one of the parties hereto, shall be considered to be an original.

14. All notices, consents and other communications required by or given under this Agreement shall be in writing and shall be given by either: (i) hand delivery; (ii) first class mail (postage prepaid); or (iii) reliable overnight commercial courier (charges prepaid) sent to the addresses set forth above.



Bank, a Connecticut non-stock mutual savings bank, and that he as such officer, being authorized to do so, executed the foregoing instrument on behalf of the bank for the purposes therein contained by signing his name on behalf of the bank as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

**SEAL**

*Arlene Satriano*  
NOTARY PUBLIC  
My commission expires: **ARLENE SATRIANO**  
**NOTARY PUBLIC**  
MY COMMISSION EXPIRES NOV. 30, 2005

STATE OF NEVADA )  
: ss.  
COUNTY OF DOUGLAS )

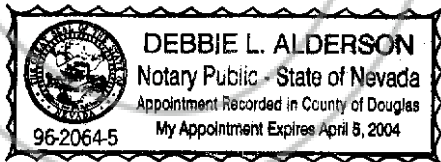
On JUNE 30<sup>RD</sup>, 2003, personally appeared before me, a notary public, LANCE AKISADA, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he is the Secretary of Walley's Property Owners Association, a Nevada non-profit corporation, and who further acknowledged to me that he executed the foregoing on behalf of said corporation.



*Debbie L. Alderson*  
NOTARY PUBLIC

STATE OF NEVADA )  
: ss.  
COUNTY OF DOUGLAS )

On JUNE 30<sup>RD</sup>, 2003, personally appeared before me, a notary public, C. ROBERT SEWELL, personally known (or proved) to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that he is a Manager of Sierra Resorts Group, LLC, Manager of Valley Partners Limited Partnership, a Nevada limited partnership, and who further acknowledged to me that he executed the foregoing on behalf of said limited partnership.



*Debbie L. Alderson*  
NOTARY PUBLIC



DESCRIPTION

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

A parcel of land located within a portion of the West one-half of the Southeast one-quarter (W $\frac{1}{2}$ SE $\frac{1}{4}$ ) of Section 15 and the West one-half of the Northeast one-quarter (W $\frac{1}{2}$ NE $\frac{1}{4}$ ) of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 15 and 22, T.13N., R.19E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey prepared by David D. Winchell and recorded September 28, 1989 in the office of Recorder, Douglas County, Nevada as Document No. 211937;

thence along the north-south centerline of said Section 15, North 00°03'48" West, 1322.57 feet to a found 2" iron pipe, no tag;

thence North 86°52'39" East, 249.87 feet to a point on the easterly right-of-way of Foothill Road, the northwest corner of Parcel E as shown on the Record of Survey for Walley's Hot Springs, Inc. recorded May 14, 1998 in the office of Recorder, Douglas County, Nevada as Document No. 439613, the POINT OF BEGINNING;

thence along the boundary of said Parcel E the following courses:

thence continuing North 86°52'39" East, 4.38 feet to a found fence post, no tag, per Deed recorded February 28, 1977 in the office of Recorder, Douglas County, Nevada in Book 277, at Page 1249;

thence South 89°20'43" East, 1064.63 feet;

thence South 00°04'09" West, 2621.92 feet to a point on the north-south 1/16 line of the Northeast one-quarter of said Section 22;

thence South 89°11'10" West, 1178.84 feet to a found 4" rebar, no tag, a point on said easterly right-of-way of Foothill Road;

thence along said easterly right-of-way along the arc of a curve to the left, nontangent to the preceding course, having a radius of 1240.00 feet, central angle of 02°22'15", arc length of 51.31 feet, chord bearing North 05°40'39" East, and chord distance of 51.31 feet;

EXHIBIT "A"

0582119

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thence North 04°29'31" East, 313.93 feet;  
thence along the arc of a curve to the right having a radius of 1160.00 feet, central angle of 24°21'00", arc length of 492.99 feet, chord bearing North 16°40'01" East, and chord distance of 489.28 feet;

thence North 28°50'31" East, 265.21 feet;  
thence along the arc of a curve to the left having a radius of 1240.00 feet, central angle of 54°31'00", arc length of 1179.85 feet, chord bearing North 01°35'01" East, and chord distance of 1135.85 feet; =

thence North 25°40'29" West, 499.42 feet to the POINT OF BEGINNING, containing 56.32 acres, more or less.

EXCEPTING THEREFROM THE FOLLOWING:

DESCRIPTION  
Adjusted Parcel F

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

A parcel of land located within a portion of the West one-half of the Northeast one-quarter (~~W-NE-1/4~~) of Section 22, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Commencing at the one-quarter corner common to Sections 15 and 22, T.13N., R.19E., M.D.M., a found 1985 BLM brass cap as shown on the Record of Survey prepared by David D. Winchell and recorded September 28, 1989 in the office of Recorder, Douglas County, Nevada as Document No. 211937;

thence South 57°32'32" East, 640.57 feet to the POINT OF BEGINNING;

thence North 80°00'00" East, 93.93 feet;

thence North 35°00'00" East, 22.55 feet;

thence North 10°00'00" West, 92.59 feet;

thence North 80°00'00" East, 72.46 feet;

thence South 10°00'00" East, 181.00 feet;

thence South 80°00'00" West, 182.33 feet;

thence North 10°00'00" West, 72.46 feet to the POINT OF BEGINNING, containing 0.49 acres, more or less.

EXHIBIT "A"

0582119

BK0703PG00008



ALSO EXCEPTING THEREFROM THE FOLLOWING:

DESCRIPTION

PARCEL E-1

The land referred to herein is situated in the State of Nevada, County of DOUGLAS, described as follows:

PARCEL E-1 of the Final Subdivision Map LDA #98-05 for DAVID WALLEY'S RESORT, a Commercial Subdivision, filed for record with the Douglas County Recorder on October 19, 2000, in Book 1000, at Page 3464, as Document No. 501638, and by Certificate of Amendment recorded November 3, 2000 in Book 1100, Page 467, as Document No. 502689, Official Records of Douglas County, Nevada.

the Basis of Bearing of this description is North 00°05'30" East, the center of Section 22 to the center of Section 15, T.13N., R.19E., M.D.M. per Record of Survey prepared by David D. Winchell recorded September 28, 1989 as Document No. 211937. The bearings of Winchell's map are rotated 00°13'08" (clockwise) to the found monuments at said center Sections.

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Prepared By: R.O. ANDERSON ENGINEERING, INC.  
P.O. Box 2294  
Minden, Nevada 89423

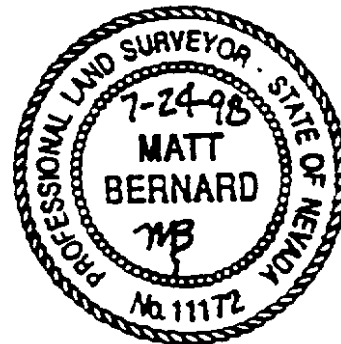


EXHIBIT "A"

0582119

BN0703PG00009