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

Effective as of April 30, 2004

From

CENTURION RESORTS CORPORATION,  
a Florida corporation

the "Trustor"

to

INTERCITY ESCROW SERVICES,  
a California corporation

as "Trustee"

for the benefit of

RESIDENTIAL FUNDING CORPORATION,  
a Delaware corporation

the "Beneficiary"

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

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THIS DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING WITH ASSIGNMENT OF RENTS, PROCEEDS AND AGREEMENTS (this "Deed of Trust") is effective as of April 30, \_\_\_\_\_, 2004 by the grantor, CENTURION RESORTS CORPORATION, a Florida corporation, (the "Trustor") whose address is c/o The Berkley Group, Inc., 3015 North Ocean Boulevard, Suite 121, Ft. Lauderdale, Florida 33308, to INTERCITY ESCROW SERVICES, a California corporation, (the "Trustee"), whose address is 16 Crow Canyon Court, Suite 200, San Ramon, California 94583, for the benefit of RESIDENTIAL FUNDING CORPORATION, a Delaware corporation, (the "Beneficiary") whose address is 2425 East Camelback Road, Suite 500, Phoenix, Arizona 85016, Attn: Managing Director Resort Finance. Capitalized terms used herein are defined in Article I of this Deed of Trust and the Loan Agreement.

**WITNESSETH:**

In consideration of the debt and the trust herein created, THE TRUSTOR HEREBY IRREVOCABLY GRANTS, TRANSFERS, CONVEYS AND ASSIGNS TO THE TRUSTEE, IN TRUST, WITH POWER OF SALE AND RIGHT OF ENTRY, all of the Trustor's right, title and interest now owned or hereafter acquired in and to the following:

1. That certain real property located in Douglas County, State of Nevada, and more particularly described in Exhibit A attached hereto (the "Land"), together with all appurtenances, easements, rights and privileges thereof, including all minerals, oil, gas and other hydrocarbon substances thereon or therein, air rights, water rights and development rights, and any land lying in the streets, roads or avenues adjoining the Land or any part thereof;
2. All Improvements;
3. All Fixtures, whether now or hereafter installed, being hereby declared to be for all purposes of this Deed of Trust a part of the Land or Improvements;
4. All Leases, Sales Documents and all Rents and Proceeds;
5. The Project Agreements;
6. All right of the Declarant under the Declaration; and
7. To the extent not included in the foregoing, the Project, together with the Personality.

FOR THE PURPOSE OF SECURING, in such order of priority as the Beneficiary may determine (i) payment of the Indebtedness and (ii) payment (with interest as provided) and performance by the Borrower of the Obligations.

**ARTICLE I            DEFINITIONS**

**Section 1.1            Certain Defined Terms**

As used in this Deed of Trust the following terms have the following meanings:

"*AD&C Loan*" means the revolving loan described in the AD&C Loan Agreement in a principal amount not to exceed the AD&C Loan Amount.

"*AD&C Loan Agreement*" means the Loan Agreement dated as of September 30, 2002, between Borrower and the Beneficiary, as the same may be amended or otherwise modified, from time to time in accordance with the terms thereof.

"*AD&C Loan Amount*" means \$40,000,000.

"*AD&C Note*" means that certain First Amended and Restated Revolving Promissory Note (AD&C Loan) dated April 29, 2003 and executed by Borrower, as maker, and made payable to the order of the Beneficiary, as holder, in the maximum principal amount of the AD&C Loan Amount, to evidence the AD&C Loan, as the same may be amended or otherwise modified from time to time in accordance with the terms thereof.

"*Affiliate*" means a Person that, directly or indirectly, controls, is controlled by, or is under common control with, a referenced Person.

"*Assignment*" means a written assignment of specific Instruments and their proceeds, executed by Borrower.

"*Beneficiary*" means Residential Funding Corporation, a Delaware corporation.

"*Borrower*" means, initially, Berkley Vacation Resorts, Inc., a Florida corporation, Lando Resorts Corporation, a Florida corporation, Patriot Resorts Corporation, a Florida corporation, Williamsburg Plantation, Inc., a Virginia corporation, and Eldorado Resorts Corp., a Florida corporation, together with all Project Owners, jointly and severally.

"*CLPI Assignment*" means a written assignment dated as of even date herewith executed and delivered to Beneficiary by Trustor and creating in favor of Beneficiary a perfected, direct, first and exclusive assignment of the Contracts, Licenses, Permits and Other Intangibles in order to facilitate performance of the Borrower's obligations under the Loan Documents, as it may be from time to time renewed, amended, restated or replaced.

"*Collateral*" means all the Trustor's right, title and interest now owned or hereafter acquired in and to the Improvements, Fixtures, Leases, Sales Documents, Rents and Proceeds, Project Agreements, and, to the extent not included in the foregoing, the Project, together with the Personalty.

"*Contracts, Licenses, Permits and Other Intangibles*" means all contracts, licenses, permits and other intangibles in which Trustor now or hereafter has rights and are now or hereafter

used in connection with the marketing and sale of Time-Share Interests and the management and/or operation of the Project.

**"Declaration"** means any declaration of covenants, conditions and restrictions, or similar instrument, now thereafter recorded against the Land, including without limitation the declaration which establishes the time share regime at the Project. The term Declaration shall include that certain Declaration of Timeshare Use recorded February 16, 1983 in the Official Records of Douglas County, Nevada in Book 283 of Official Records, Page 1341, Document No. 76233, as amended.

**"Deed of Trust"** means this Deed of Trust, Security Agreement and Fixture Filing With Assignment of Rents, Proceeds and Agreements executed by the Trustor in favor of the Trustee for the benefit of the Beneficiary, as the same may be amended or otherwise modified from time to time.

**"Default Rate"** means the rate charged by Beneficiary as the Default Rate as provided for in the AD&C Loan Agreement.

**"Environmental Indemnity"** means that certain Hazardous Substances Remediation and Indemnification Agreement dated as of September 30, 2002 executed by the Borrower and Guarantor in favor of the Beneficiary, as the same may be amended or otherwise modified from time to time.

**"Event of Default"** means the occurrence, after any applicable grace periods, of any of the events listed in Section 6.1.

**"Fixtures"** means all fixtures located upon or within the Improvements or now or hereafter installed in, or used in connection with any of the Improvements, whether or not permanently affixed to the Land or the Improvements.

**"Guarantor"** means The Berkley Group, Inc., a Florida corporation.

**"Guaranty"** means that primary, joint and several guaranty and subordination agreement as of September 30, 2002 executed by the Guarantor in favor of the Lender, as the same may be amended or otherwise modified from time to time.

**"Impositions"** means all real estate and personal property and other taxes and assessments, and any and all other charges, expenses, payments, claims, mechanics' or material suppliers' liens or assessments of any nature that at any time prior to or after the execution of the Project Documents may be assessed, levied, imposed, or become a lien upon the Project or the rent or income received therefrom, or any use or occupancy thereof.

**"Improvements"** means all buildings, structures and improvements of every nature whatsoever situated on the Land, inclusive of the Units.

**"Indebtedness"** means the indebtedness evidenced by the Note (including, without limitation, any prepayment charges due thereunder) and all other amounts due from the Borrower to the Beneficiary evidenced or secured by the Loan Documents, plus interest on all such

amounts as provided in the Loan Documents and payment of such additional sums as may otherwise be paid or advanced by the Beneficiary to protect the security or priority of this Deed of Trust or under any provision of this Deed of Trust.

**"Instrument"** means a purchase money promissory note which has arisen out of a sale of a Time-Share Interest by Borrower to a Purchaser, is made payable by such Purchaser to Borrower.

**"Land"** means that certain real property described in Exhibit A.

**"Laws and Regulations"** shall mean (i) all laws, regulations, orders, codes, ordinances, rules, statutes and policies of all local, regional, county, state and federal governmental authorities having jurisdiction over the Project and (ii) all restrictive covenants and other title encumbrances, permits and approvals, leases and other rental agreements which in any case relate to the development, occupancy, ownership, management, use, and/or operation of the Project.

**"Leases"** means any and all leasehold interests now or hereafter affecting or covering any part of the Project.

**"Lender's Escrow Instructions"** shall mean, with respect to the Project, the escrow instructions issued by the Beneficiary, or Beneficiary's legal counsel on behalf of the Beneficiary, to the Title Insurance Company, specifying (i) the terms and conditions under which the Title Insurance Company may disburse the initial disbursement of the Loan corresponding to the Project and (ii) the Beneficiary's requirements with respect to the Title Policy.

**"Loan"** means collectively, the AD&C Loan, the Receivables Loan and the Pre-Sale Loan.

**"Loan Agreement"** means collectively, the AD&C Loan Agreement and the Receivables Loan Agreement.

**"Loan Amount"** means the aggregate of the AD&C Loan Amount, the Receivables Loan Amount and the Pre-Sale Loan Amount.

**"Loan Documents"** means, as to the Loan, all documents, instruments, agreements, assignments and certificates relating thereto, including, without limitation, any and all loan or credit agreements, promissory notes, deeds of trust, mortgages, security agreements, assignments of rents, assignments of leases, assignments of contracts, environmental indemnities, guaranties, contractor's consent agreements, evidences of authorization or incumbency, escrow instructions, architect's consent agreements, all as executed (and acknowledged where applicable) by the Borrower and/or the Beneficiary (where applicable), and UCC Financing Statements, all in connection with the Beneficiary making the Loan to the Borrower, as the same may be amended or otherwise modified from time to time in accordance with the Loan Agreement. The Loan Documents include, but are not be limited to, the following:

- (1) the Loan Agreement;
- (2) the Receivable Loan Agreement;

- (3) the Note;
- (4) the Guaranty;
- (5) the Environmental Indemnity;
- (6) the Subordination Agreements;
- (7) the Time-Share Security Documents;
- (8) the Project Documents; and
- (9) the Project Commitments.

**"Net Proceeds"** means the net amount of all insurance proceeds or condemnation awards received by the Beneficiary after deduction of the Beneficiary's reasonable costs and expenses, if any, in collection of the same.

**"Note"** means collectively, the AD&C Note, the Receivables Note and the Pre-Sale Note.

**"Obligations"** means any and all of the covenants, promises and other obligations (including the Indebtedness) made or owing by the Borrower to or due to the Beneficiary as provided in the Loan Documents and all of the covenants, promises and other obligations made or owing by the Borrower to any other Person relating to the Project or any other project described in the Loan Documents.

**"Permitted Exceptions"** means, with respect to the Project, (i) real estate taxes and assessments not yet due and payable and possible supplemental assessments for improvements constructed on the Land, (ii) exceptions to title which are approved in writing by the Beneficiary (including such easements, dedications, covenants and such which Beneficiary consents to in writing after the date of the Deed of Trust), and (iii) the exceptions set forth in the Title Policy accepted by Beneficiary.

**"Person"** means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

**"Personalty"** means all personal property (other than Fixtures) now or hereafter located in, upon or about or collected or used exclusively by the Trustor in connection with the Project, together with all present and future attachments, accessions, replacements, substitutions and additions thereto or therefor, and the cash and noncash proceeds thereof, including, without limitation, all goods, equipment, furniture and furnishings (including, without limitation, all heating, lighting, laundry, incinerating and power equipment, engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing, lighting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communications apparatus, air cooling, and air conditioning apparatus, elevator, escalators, shades, awnings, screens, storm doors and windows, wall beds, stoves, ranges, refrigerators, freezers, food and beverage preparation and serving equipment, cabinets, partitions, ducts, compressors, canopies, furnishings, garbage and rubbish disposals,



counters, bathtubs, sinks, basins, carpets, floor and wall coverings, drapes, swimming pool equipment, inventory, merchandise, satellite television equipment, floor coverings and office equipment), all drawings, plans and specifications, and all accounts, investment property, contract rights and general intangibles (including any insurance proceeds and condemnation awards or compensation) arising out of or incident to the ownership, development or operation of the Project.

**"Pre-Sale Loan"** meaning the revolving pre-sale loan described in the Receivables Loan Agreement in the principal amount not to exceed the Pre-Sale Loan Amount.

**"Pre-Sale Loan Amount"** \$20,000,000.

**"Pre-Sale Note"** means that certain First Amended and Restated Revolving Promissory Note (Pre-Sale Loan) dated January 22, 2004 and executed by Borrower, as maker, and made payable to the order of the Beneficiary, as holder, in the maximum principal amount of the Pre-Sale Loan Amount, to evidence the Pre-Sale Loan, as the same may be amended or otherwise modified from time to time in accordance with the terms thereof.

**"Project"** means the Land, the Improvements and the Personality.

**"Project Agreements"** means any and all agreements, leases, contracts, reports, development rights under the Project Governing Documents (including the Declaration) and any other agreements, surveys, plans, drawings and governmental approvals whatsoever pertaining to the operation of the Project, inclusive of the Contracts, Licenses, Permits and Other Intangibles, as the same may be amended or otherwise modified from time to time.

**"Project Commitment"** means the Project Commitment regarding the Project dated of event date herewith between Borrower and Beneficiary.

**"Project Documents"** means, with respect to the Project, all documents, instruments, agreements, assignments and certificates relating thereto, including, without limitation, any and all loan or credit agreements, promissory notes, deeds of trust, mortgages, security agreements, assignments of rents, assignments of leases, assignments of contracts, environmental indemnities, guaranties, contractor's consent agreements, evidences of authorization or incumbency, escrow instructions, architect's consent agreements, all as executed (and acknowledged where applicable) by the Borrower and/or the Beneficiary (where applicable), and UCC Financing Statements, all in connection with the Beneficiary making the Loan to the Borrower for the Project, as the same may be amended or otherwise modified from time to time in accordance with the Loan Agreement. The Project Documents include, but are not be limited to, the following:

- (1) the Project Commitment;
- (2) the Deed of Trust;
- (3) in the event the Project is to be owned by a new Project Owner, an Allonge to each Note;

- (4) the UCC Financing Statement;
- (5) any and all amendment to the Loan Documents, as required by Beneficiary;
- (6) the Lender's Escrow Instructions; and
- (7) the Title Policy.

**"Project Governing Documents"** means plats, replats, maps, declarations of covenants and/or restrictions (in addition to the Declaration), easements, reciprocal use and access agreements, registration documents with regulatory agencies, amendments to any of the foregoing, and other similar documents and agreements with respect to the Project.

**"Project Owner"** means the Person who owns a particular Project or Projects, and which Person must also be a Borrower. Trustor is a Project Owner.

**"Purchaser"** means a purchaser who has executed a purchase contract pursuant to which Borrower has agreed to sell and a third party has agreed to purchase a Time-Share Interest.

**"Receiver"** means any trustee, receiver, custodian, fiscal agent, liquidator or similar officer.

**"Receivables Loan"** the revolving receivables loan described in the Receivables Loan Agreement in a principal amount not to exceed the Receivables Loan Amount.

**"Receivables Loan Agreement"** means the Loan and Security Agreement dated as of September 30, 2002, between Borrower and the Beneficiary, as the same may be amended or otherwise modified, from time to time in accordance with the terms thereof.

**"Receivables Loan Amount"** means \$100,000,000.

**"Receivables Note"** means that certain First Amended and Restated Revolving Promissory Note (Receivables Loan) dated January 22, 2004 and executed by Borrower, as maker, and made payable to the order of the Beneficiary, as holder, in the maximum principal amount of the Receivables Loan Amount, to evidence the Receivables Loan, as the same may be amended or otherwise modified from time to time in accordance with the terms thereof.

**"Rents and Proceeds"** means all rents, royalties, revenues, security deposits, issues, profits, option payments, proceeds and other types of deposits or income from the Project, including but not limited to all sums received in respect of the rental or license of the use of the rooms for lodging, meeting or banquet purposes, the Sales Documents, or the sale or other Transfer of the Project or a portion thereof or pursuant to an agreement regarding any such Transfer.

**"Sales Documents"** means all purchase contracts for the sale of any portion of the Project, all Instruments, chattel paper and general intangibles evidencing or representing purchase money indebtedness owing to Borrower in connection with such contracts and related

sales and all escrow agreements and deposits and security related to such contracts, Instruments, chattel paper and general intangibles, whether now or hereafter existing.

**"Subordination Agreement"** means a subordination agreement dated as of September 30, 2002 made by a Subordinator subordinating indebtedness owed to it by Borrower to all or a part of the Loan, as it may be from time to time renewed, amended, restated or replaced.

**"Subordinator"** means at any time, a person or entity then required under the terms of this Loan Agreement to subordinate indebtedness owed to it by Borrower to all or any part of the Borrower's obligations under the Loan Documents.

**"Time-Share Interest"** means an undivided fractional fee simple interest as tenant-in-common (or an estate for years, with a remainder over in fractional fee simple as tenant-in-common) either (i) in a Unit, (ii) in the entire Project or (iii) in a particular building within the Project, together with the exclusive right to occupy and use a specific Unit [or an equivalent Unit] for a period of at least 7 consecutive days every calendar year (i.e., an annual Time-Share Interest), every other calendar year (i.e., a biennial Time-Share Interest) or every third calendar year (i.e., a triennial Time-Share Interest) (on a fixed or floating basis) (coupled, in each case, with an undivided fractional fee simple interest as tenant-in-common in the common areas of a Project and/or the non-exclusive right to use such common elements, during the same occupancy period).

**"Time-Share Program"** means a program to be created by which Persons may own Time-Share Interests, enjoy their respective Time-Share Interests on a recurring basis, and share the expenses associated with the operation and management of such program.

**"Time-Share Security Documents"** means the CLPI Assignment, the Assignments and all other documents now or hereafter securing Borrower's obligations under the Loan Documents, as they may be from time to time renewed, amended, restated or replaced.

**"Title Policy"** means, with respect to the Project, that certain policy of title insurance accepted by the Beneficiary for the Project, which policy of title insurance shall be in the form and substance required by the AD&C Loan Agreement:

**"Transfer"** means, with respect to the Trustor, the occurrence of any Transfer as defined in the Loan Agreement.

**"Trustee"** means InterCity Escrow Services.

**"Trustor"** means Centurion Resorts Corporation.

**"UCC Financing Statement"** means, with respect to the Project, any UCC financing statement, whether executed or not by the Project Owner, naming Project Owner, as debtor, in favor of the Beneficiary, as secured party, in connection with the Beneficiary making proceeds of the Loan available to the Project Owner for the Project, as such UCC financing statement may be amended or otherwise modified from time to time with or without Project Owner's signature.

**"Unit"** means a dwelling unit in the Project.

All capitalized terms not defined herein have the meaning given to such term in the Loan Agreement. In the event of a conflict between a definition of a term in the Loan Agreement and herein, the definition herein controls.

## **ARTICLE II REPRESENTATIONS AND WARRANTIES**

In addition to the representations and warranties contained in the Loan Agreement, which representations and warranties the Trustor hereby makes as to the Trustor and the Project, Trustor hereby represents and warrants to the Beneficiary that as of the date of this Deed of Trust and as of the date of any subsequent disbursement pursuant to the Project Documents:

### **Section 2.1 Additional Representations and Warranties**

- (a) the Project is not used principally or primarily for agricultural or grazing purposes;
- (b) except as otherwise disclosed in writing to the Beneficiary, Trustor is not aware of any assessment for public improvements which is pending and which could become a lien upon the Project;
- (c) no event has occurred which with the giving of notice or the passage of time, or both, would constitute an Event of Default under any of the Loan Documents;
- (d) Borrower is not in default under any material agreement or instrument to which it is a party which default would have a material and adverse effect on the Project or Borrower's ability to timely perform the Obligations except as disclosed in writing to the Beneficiary;
- (e) neither the Project nor any part thereof has sustained, incurred or suffered any material damage or destruction except as disclosed in writing to the Beneficiary;
- (f) subject only to the Permitted Exceptions, the Personalty and the Fixtures are owned by Trustor free and clear of any liens, encumbrances, mortgages, security interests, claims and rights of others which could materially impair the value of the Personalty or Fixtures;
- (g) the Project and the current use thereof comply in all material respects with all Laws and Regulations except as disclosed in writing to the Beneficiary; and
- (h) Borrower has received no notices of any material uncured violations of any Laws and Regulations.

### **Section 2.2 Bankruptcy**

No petition in bankruptcy, petition or answer seeking assignment for the benefit of creditors or appointment of a Receiver or similar proceeding with respect to any Borrower, Trustor, or any Affiliate has occurred or is contemplated except as disclosed in writing to the Beneficiary.

### **ARTICLE III      AFFIRMATIVE COVENANTS**

In addition to the covenants contained in the Loan Agreement, which covenants the Trustor hereby makes as to the Trustor and the Project, Trustor, hereby covenants and agrees as follows:

#### **Section 3.1      Obligations of Trustor.**

Trustor will timely perform, or cause to be timely performed, all the Obligations.

#### **Section 3.2      Insurance**

(a) Trustor must maintain the insurance required by the terms of Section 5.4 of the AD&C Loan Agreement.

(b) Trustor must furnish to the Beneficiary evidence, satisfactory to the Beneficiary, that (i) all insurance requirements (including provisions for waivers of subrogation) set forth in the Leases or any other agreements affecting the Project have been satisfied by each party thereto and (ii) each tenant, required by the terms of its Lease to maintain insurance on its leased premises, has caused the Beneficiary to be named as an additional insured or loss payee under such insurance policies.

(c) All of Trustor's right, title and interest in and to all policies of Project insurance and any unearned premiums paid thereon are hereby assigned (to the fullest extent assignable) to the Beneficiary who has the right, but not the obligation, to assign the same to any purchaser of the Project at any foreclosure sale.

#### **Section 3.3      Maintenance, Waste and Repair**

Trustor will (i) maintain the Project in good order and condition; (ii) not remove or permit to be removed any of the Fixtures or Personalty from the Project without the prior written consent of the Beneficiary, which consent will not be unreasonably withheld, unless replaced by articles of equal suitability and value owned by Trustor free and clear of any lien or security interest; and (iii) not permit any waste of the Project or make any change in the use thereof, nor do or permit to be done thereon anything, that may in any way impair the security of this Deed of Trust.

#### **Section 3.4      Impositions; Impounds**

Subject to the terms of Section 3.7, Trustor will pay all Impositions before delinquency. Trustor will deliver to the Beneficiary, within 7 days after demand therefor, receipts showing the payment of any Impositions. During the continuance of an Event of Default, upon request by the Beneficiary, Trustor will pay monthly to the Beneficiary an amount equal to 1/12th of the annual cost of Impositions together with an amount equal to the estimated next premiums for hazard and other required insurance. These funds will be held by the Beneficiary without interest and will be released to Trustor for payment of Impositions and insurance premiums, or directly applied to such costs by the Beneficiary, as the Beneficiary may elect. The Beneficiary may, but without any obligation to do so, deposit and hold such funds in a separate non-interest bearing account.

**Section 3.5 Compliance with Laws and Regulations**

Trustor will promptly and faithfully comply in all material respects with all present and future Laws and Regulations.

**Section 3.6 Further Assurances**

Trustor will execute and deliver at any time and from time to time any and all instruments, agreements and documents, and will take such other action as the Beneficiary reasonably requires to maintain, perfect or confirm the Beneficiary's security provided for under the Loan Documents, including, without limitation, the execution of amendments to the Loan Documents to correct errors or confirm the terms of the Loan.

**Section 3.7 Contest**

Notwithstanding the provisions of Sections 3.4 and 3.5 hereof, the Trustor may, at its expense, contest the validity or application of any Impositions or Laws and Regulations by appropriate legal proceedings promptly initiated and diligently conducted in good faith, provided that, with respect to mechanics' liens, the Trustor complies with the terms and requirements of Section 6.18 of the AD&C Loan Agreement.

**Section 3.8 Additional Information**

The Trustor will furnish to the Beneficiary, within 7 days after written request therefor, any and all information that the Beneficiary may reasonably request concerning the Project or the performance by the Borrower of the Obligations.

**Section 3.9 Prepayment.**

Any Borrower may prepay the Loan only on the terms and conditions set forth in the Note and the Loan Agreement.

**Section 3.10 Mortgage Taxes.**

The Trustor will pay or cause to be paid any and all taxes, charges, filing, registration and recording fees, excises and levies imposed upon the Beneficiary by reason of its taking of a mortgage lien upon the Project, the Note, this Deed of Trust or any of the other Loan Documents, any security instrument with respect to the Personalty or with respect to the interest of the Trustor therein and any instrument of further assurance, other than income, franchise and doing business taxes, and will pay or cause to be paid all stamp taxes and other taxes required to be paid on the Note, this Deed of Trust and any of the other Loan Documents. In the event the Trustor fails to make such payments or fails to cause such payments to be made within 5 days after written notice thereof from the Beneficiary, then the Beneficiary has the right, but not the obligation, to pay the amounts due, and the Trustor will, on demand, reimburse the Beneficiary for said amounts. The Trustor further agrees to hold the Beneficiary harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes, charges, filing, registration and recording fees, excises and levies.

## **ARTICLE IV            NEGATIVE COVENANTS**

The Trustor, hereby covenants and agrees as follows:

### **Section 4.1            Restrictive Uses**

The Trustor will not initiate, join in, permit or consent to any change in the approved use of the Project or in any zoning ordinance, private restrictive covenant, assessment proceedings or other public or private restriction limiting or restricting the uses that may be made of the Project or any part thereof which is inconsistent with the approved plans for the Project, or in any way change the boundaries of the Project, without the prior written consent of the Beneficiary.

### **Section 4.2            Prohibited Transfers**

The Trustor may not, and will not cause, allow or permit a Transfer without the prior written consent of the Beneficiary or as allowed in the Loan Agreement, which consent may be withheld or conditioned in the Beneficiary's absolute discretion. Any permitted transferee must, as a condition of the effectiveness of any consent or waiver by the Beneficiary hereunder, assume all of the Trustor's obligations under the Loan Documents and agree to be bound thereby. Such assumption will not, however, release any Trustor from any liability under the Loan Documents. Consent to any such Transfer by the Beneficiary will not be deemed a waiver of the Beneficiary's right to require such consent to any further or future Transfers. The foregoing provisions will not apply to sales of Time-Share Interests to Purchasers as contemplated under the Loan Agreement.

### **Section 4.3            Project Governing Documents**

(a) The use of the Project may from time to time require the execution, filing and/or recording of Project Governing Documents which may set forth the development rights of the Trustor. Without the prior written consent of Beneficiary, Trustor will not execute, terminate, amend, file and/or record any existing Project Governing Document or enter into any future Project Governing Documents. However, Beneficiary will use reasonable efforts to review all such Project Governing Documents on a timely basis and agrees (1) not to unreasonably withhold or delay granting its consent to such Project Governing Documents or its joinder in or to any such Project Governing Documents (to the extent required by law) and (2) to provide on a timely basis such certificates, affidavits or other verifying statements relating to the foregoing, this Deed of Trust or the use of the Project as may be required by or in connection with such Project Governing Documents to which it has given its consent.

(b) All expenses of Beneficiary in reviewing the Project Governing Documents, including, without limitation, reasonable attorneys' fees shall be paid by Trustor to Beneficiary promptly upon demand, together with interest on the unpaid balance at the Default Rate from the date of demand until paid by Trustor.

(c) Without limiting the generality of any other provision contained herein, Beneficiary may, in addition to other conditions, require that Trustor deliver to it a specific assignment (which shall terminate when this Deed of Trust is entitled to be released pursuant to the terms of this Deed of Trust) of Trustor's rights, title and interest under a Project Governing

Document as a condition to its consent thereto, which assignment shall contain such terms as a prudent lender would require.

**Section 4.4 Other Provisions Pertaining to Project Governing Documents.**

(a) Unless required to do so by the terms thereof or by applicable law, Trustor will not, without the prior written consent of Beneficiary, modify, waive, terminate or alter in any material way any of the terms of the Project Governing Documents with respect to the developer's rights granted thereunder or surrender any of the same and without limiting the generality of the foregoing, will not consent to any modification which would result in the loss of any material benefit or the incurrence of any material detriment to Trustor or Beneficiary under the Project Governing Documents.

(b) Trustor will take all acts reasonably necessary to prevent the forfeiture, rescission or termination of any of the Project Governing Documents or any of the applicable developer's rights, the loss of any material benefit to Trustor or Beneficiary under any of the Project Governing Documents, or the incurrence of any material detriment to Trustor or Beneficiary under any of the Project Governing Documents, and will require, demand, and enforce, by all available, lawful and reasonable means, the prompt and faithful payment, performance, observance and satisfaction of all of the material provisions, covenants, conditions, and agreements in the Project Governing Documents to be performed and/or complied with for the benefit of Trustor under the Project Governing Documents with respect to the applicable development rights;

(c) Trustor will exercise all of its rights under Project Governing Documents so that at all times (unless precluded by Trustor's compliance with applicable law or the exercise by others of the rights held by them under the Project):

(1) Trustor shall be in compliance with all terms and conditions of the Loan Documents, including, without limitation, provisions with respect to the maintenance and use of insurance and condemnation proceeds and maintenance, repair and restoration of the Project; and no default by Trustor or an Event of Default will be created;

(2) the exercise of the rights and remedies of Trustor under the Loan Documents shall not be limited by any decision made pursuant to the Project Governing Documents to take or not to take any action with respect to the Project; and

(3) except as Beneficiary might otherwise reasonably require pursuant to the terms of the Loan Documents following damage to all or substantially all of the Project, the Project Governing Documents shall not be terminated as to any part of the Project.

**ARTICLE V CASUALTIES AND CONDEMNATION**

**Section 5.1 Insurance and Condemnation Proceeds**

(a) The Trustor must notify the Beneficiary in writing immediately upon the occurrence of any loss or damage by fire or other casualty to the Project which results in damage to the Project in excess of \$10,000 or upon obtaining knowledge of the commencement of any



proceedings for condemnation of any portion of the Project. The Beneficiary is be entitled to (i) participate in any such condemnation proceedings and the Trustor from time to time will deliver to the Beneficiary all instruments reasonably necessary to permit such participation, and (ii) pursuant to a process in which the Trustor participants, settle and adjust all insurance claims relative to any such damage or destruction, deducting from any insurance proceeds the amount of all expenses incurred by the Beneficiary in connection with any such settlement or adjustment. Notwithstanding anything to the contrary contained in any insurance policies, all proceeds paid to the Trustor under any insurance policies required to be maintained by the Trustor pursuant to Section 3.2 hereof or otherwise relating to the Project and any insurance proceeds received by the Trustor under insurance policies maintained by tenants pursuant to a lease obligation will immediately be delivered to the Beneficiary. All condemnation proceeds from the Project are hereby assigned to and will be paid to the Beneficiary and the cost of any legal representation of the Beneficiary in any such condemnation proceedings will be borne by the Trustor.

(b) The Beneficiary shall make the Net Proceeds available to the Trustor for repair or reconstruction provided that (i) there is then no Event of Default under any Loan Document and (ii) in the Beneficiary's reasonable judgment, the security for the Loan has not been materially impaired as a result of such damage, destruction or condemnation. If the Beneficiary is required to, or determines to, make insurance proceeds or condemnation awards available for repair or reconstruction, the Beneficiary shall, through a disbursement procedure established by the Beneficiary, make available to the Trustor the Net Proceeds. In the event the Beneficiary determines not, or is not required, to make the Net Proceeds available for repair or reconstruction, the Beneficiary, at its sole option, may apply the Net Proceeds in payment of the Indebtedness or in satisfaction of any other Obligation in such order as the Beneficiary may determine. Notwithstanding any provision of this Deed of Trust to the contrary, under no circumstance will the Beneficiary be obligated to make any portion of the Net Proceeds available for repair or reconstruction unless at the time of the request for any disbursement it has determined in its reasonable discretion that the repair or reconstruction can be completed at a cost (which cost will include all payments coming due under the terms of the Loan) that does not exceed the aggregate of the remaining Net Proceeds and any funds deposited with the Beneficiary by the Trustor.

(c) The Net Proceeds and any additional funds deposited by the Trustor with the Beneficiary, plus any loss of rental income insurance proceeds which have been deposited with the Beneficiary or which the carrier has acknowledged to be payable, will constitute additional security for the Loan. The Trustor will execute, deliver, file and/or record, at its own expense, such documents and instruments as the Beneficiary requires to grant to the Beneficiary a perfected, first priority security interest in the Net Proceeds and such additional funds.

## **Section 5.2 Additional Provisions Relating to Condemnation**

The Trustor hereby unconditionally and irrevocably waives all rights of an owner of real estate such as the Project under applicable law providing for the allocation of condemnation proceeds between an owner of real estate and a lien holder.

## **ARTICLE VI       EVENTS OF DEFAULT AND REMEDIES OF BENEFICIARY**

### **Section 6.1       Events of Default**

It constitutes an Event of Default hereunder if any of the following events occurs:

- (a) an Event of Default occurs under the Loan Agreement or any other Loan Document;
- (b) the Trustor, as lessor or sublessor, as the case may be, assigns the Rents and Proceeds without first obtaining the written consent of the Beneficiary; or
- (c) this Deed of Trust ceases to constitute a valid lien and/or security interest encumbering the Collateral or any portion thereof.

### **Section 6.2       General Provisions Relating to Remedies**

Upon the occurrence and continuance of any Event of Default and during the continuation thereof, Beneficiary may exercise any one or more of the remedies as provided for in the Loan Agreement. All notice and cure periods provided herein or in the Note or the other Loan Documents will run concurrently with any notice or cure periods provided by law. Without limiting the foregoing, the Beneficiary or the Trustee will be entitled to cause a notice of breach and election to sell to be recorded and mailed if any event occurs which, with the giving of notice and/or passage of time, would constitute an Event of Default or would entitle the Beneficiary to accelerate the Indebtedness, and the recording and mailing to the Trustor of such notice of breach and election to sell will constitute notice of a failure to perform pursuant hereto or thereto.

### **Section 6.3       Acceleration**

Upon the occurrence and continuance of any Event of Default, the Beneficiary may at any time declare all of the Indebtedness to be due and payable and the same will thereupon become immediately due and payable, together with all payments due in accordance with the terms of the Note, without any further presentment, demand, protest or notice of any kind.

### **Section 6.4       Additional Remedies**

Upon the occurrence and continuance of any Event of Default, in addition to the remedies provided in Section 6.2 and Section 6.3, the Beneficiary may, in its sole discretion, also do any of the following:

- (a) in person, by agent, or by a Receiver, without regard to the adequacy of security, the solvency of the Borrower or the condition of the Project, without obligation so to do and without notice to or demand upon the Borrower, do any of the following:
  - (1) enter upon and take possession of the Project, or any part thereof, in its own name or in the name of the Trustee and do any acts which the Beneficiary deems necessary to preserve the value or marketability of the Project;

(2) sue for or otherwise collect the Rents and Proceeds, and apply the same, less costs and expenses of operation and collection, including, without limitation, reasonable attorneys' fees (including but not limited to court costs, expert witness fees, document reproduction expenses, costs of exhibit preparation, courier charges, and postage and communication expenses), against the Obligations, all in such order as the Beneficiary may determine;

(3) appear in and defend any action or proceeding purporting to affect, in any manner whatsoever, the Obligations, the security hereof or the rights or powers of the Beneficiary or the Trustee; or

(4) pay, purchase or compromise any encumbrance, charge or lien that in the judgment of the Beneficiary or the Trustee is prior or superior hereto;

and in exercising any such powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees (including, without limitation, court costs, expert witness fees, document reproduction expenses, costs of exhibit preparation, courier charges, and postage and communication expenses);

(b) as a matter of strict right and without notice to the Borrower or anyone claiming under the Borrower, and without regard to the then value of the Project, apply *ex parte* to any court having jurisdiction to appoint a Receiver to enter upon and take possession of the Project, and the Trustor hereby waives notice of any application therefor to the extent permitted by applicable law, provided a hearing to confirm such appointment with notice to the Trustor is set within the time required by law (any such Receiver will have all the powers and duties of Receivers in like or similar cases and all the powers and duties of the Beneficiary in case of entry as provided herein, and will continue as such and exercise all such powers until the date of confirmation of sale, unless such receivership is sooner terminated);

(c) commence an action to foreclose this Deed of Trust in any manner provided hereunder or by the laws of the state where the Land is located;

(d) with respect to any Personalty, proceed as to both the real and personal property in accordance with the Beneficiary's rights and remedies in respect of the Land, or proceed to sell said Personalty separately and without regard to the Land in accordance with the Beneficiary's rights and remedies as to personal property, provided that Beneficiary will not sell said Personalty prior to the sale of any portion of the real property unless such a sale is necessary to prevent spoilage or waste to any of the Collateral for the Loan; and/or

(e) deliver to the Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause the Project to be sold, which notice the Trustee or the Beneficiary shall cause to be duly filed for record.

### **Section 6.5 Beneficiary's Option to Perform**

If any Borrower at any time fails to perform or comply with any of the terms, covenants and conditions required on its part to be performed and complied with under any of the Loan Documents or any other agreement that, under the terms of this Deed of Trust, such Borrower is

required to perform, then the Beneficiary may, in its sole discretion: (i) make any payments hereunder or thereunder payable by such Borrower and take out, pay for and maintain any of the insurance policies provided for herein or therein; and/or (ii) after the expiration of any applicable grace period and subject to such Borrower's rights to contest certain obligations specifically granted hereby, perform any such other acts thereunder on the part of such Borrower to be performed and enter upon the Project for such purpose.

#### **Section 6.6 Foreclosure**

(a) Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall notify the Trustee and shall deposit with the Trustee this Deed of Trust and, if necessary, the Note and such receipts and evidence of expenditures made and secured hereby as the Trustee may require. Upon receipt of such notice from the Beneficiary, the Trustee will (i) cause to be recorded and mailed to the Trustor, and to such other Persons as required by the applicable law, a notice of default and (ii) cause to be published and mailed a notice of sale, all as then required by the laws of the state where the Land is located and by this Deed of Trust.

(b) The Trustee will, without demand on the Borrower, after lapse of such time as may then be required by law and after recordation of such notice of default and after notice of sale having been given as required by law, sell the Project at the main front door of the Courthouse in the County in which the Project is located or on the Project or any part thereof, or such other place as may be authorized or permitted by law, as may be specified in said notice of sale, either as a whole, or in separate lots or parcels or items as the Beneficiary may determine, and, to the extent allowed by applicable law, in such order as the Beneficiary may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale.

(c) The Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts will be conclusive proof of the truthfulness thereof.

(d) Any person, including, without limitation, the Borrower, the Trustee or the Beneficiary, may purchase the Project at such sale and the Trustor, hereby covenants to warrant and defend the title of such purchaser or purchasers, provided, however, that the Trustor will not be required to warrant and defend such title against defects in title which are Permitted Exceptions or against defects in title which occur after Trustor is dispossessed of the Project.

(e) After deducting all costs, fees and expenses of the Trustee and of this Trust, including costs of evidence of title in connection with any such sale, the Trustee will apply the proceeds of such sale in the following priority, to payment of:

- (1) first, all sums expended under the terms hereof, not then repaid, with accrued interest at the Default Rate;
- (2) second, all other sums then secured hereby; and

(3) the remainder, if any, to the person or persons legally entitled thereto.

(f) To the extent permitted by applicable law, the Beneficiary may, in its sole discretion, designate the order in which the Project will be offered for sale or sold through a single sale or through two or more successive sales, or in any other manner the Beneficiary deems to be in its best interest. If the Beneficiary elects more than one sale or other disposition of the Project, the Beneficiary may at its option cause the same to be conducted simultaneously or successively, on the same day or at such different days or times and in such order as the Beneficiary may deem to be in its best interests, and no such sale will terminate or otherwise affect the lien of this Deed of Trust on any part of the Project not then sold until all Indebtedness secured hereby has been fully paid. If the Beneficiary elects to dispose of the Project through more than one sale, the Trustor will pay the costs and expenses of each such sale of its interest in the Project and of any proceedings where the same may be made.

(g) The Trustee may postpone the sale of all or any part of the Project by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement, and without further notice make such sale at the time fixed by the last postponement; or the Trustee may, in its discretion, give a new notice of sale. The Beneficiary may rescind or cancel any such notice of default at any time before the Trustee's sale by executing a notice of rescission or cancellation and recording the same. The recordation of such notice will constitute a cancellation of any prior declaration of default and demand for sale and of any acceleration of maturity of Indebtedness affected by any prior declaration or notice of default. The exercise by the Beneficiary of the right of rescission or cancellation will not constitute a waiver of any default then existing or subsequently occurring, or impair the right of the Beneficiary to execute other declarations of default and demand for sale, or notices of default and of election to cause the Project to be sold, nor otherwise affect the Note or this Deed of Trust, or any of the rights, obligations or remedies of the Beneficiary or the Trustee hereunder.

(h) Nothing in this Section 6.6 dealing with foreclosure procedures or specifying particular actions to be taken by the Beneficiary or by the Trustee or any similar officer will be deemed to contradict or add to the requirements and procedures now or hereafter specified by law, and any such inconsistency will be resolved in favor of the laws of the state where the Land is located that is applicable at the time of foreclosure.

(i) In the event of a sale of the Project, or any part thereof, and the execution of a deed therefor, the recital therein of default, and of recording notice of default and notice of sale, and of the elapse of the required time (if any) between the recording and the notice, and of the giving of notice of sale, and of a demand by the Beneficiary, or its successors or assigns, that such sale should be made, will be conclusive proof of such default, recording, election, elapse of time, and giving of such notice, and that the sale was regularly and validly made on due and proper demand by the Beneficiary, its successors or assigns. Any such deed or deeds with such recitals therein will be effective and conclusive against the Trustor, its successors and assigns, and all other Persons. The receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid will be sufficient discharge to such purchaser from all obligations to see to the proper application of the purchase money.

## **Section 6.7 Remedies Cumulative**

All remedies of the Beneficiary provided for herein are cumulative and are in addition to any and all other rights and remedies provided in any other Loan Document or by law, including any right of offset. The exercise of any right or remedy by the Beneficiary hereunder will not in any way constitute a cure or waiver of default hereunder or under any other Loan Document, or invalidate any act done pursuant to any notice of default, or prejudice the Beneficiary in the exercise of any of its rights hereunder, under any other Loan Document. The entering upon or taking possession of the Project, the collections of the rents, income and profits and the application as permitted in this Deed of Trust will not cure or waive any Event of Default or notice of the Trustee's sale or invalidate any act done pursuant to such notice.

## **Section 6.8 Costs and Expenses Upon Exercise of Remedies**

All sums expended by Trustee or Beneficiary in the exercise of any of their rights or remedies under this Deed of Trust, and all reasonable costs and expenses incurred in connection therewith (including, without limitation, reasonable attorneys' fees and other costs as set forth in Section 9.19 hercof) will (i) be immediately due and payable on demand, (ii) accrue interest from the date of expenditure by Beneficiary at the rate provided for in the AD&C Note if there is no other uncured Event of Default and at the Default Rate if not paid within 30 days after receipt of notice of the amount due or after any Event of Default (other than the failure to make such payment immediately upon demand) until such Event of Default is cured, and (iii) be added to the Indebtedness and secured by the Loan Documents prior to any right, title or interest in or claim upon the Project attaching or accruing subsequent to the lien of this Deed of Trust.

## **Section 6.9 Acknowledgments By Trustor**

The Trustor upon execution and delivery of this Deed of Trust was informed that this Article VI grants a power of sale and provides for nonjudicial foreclosure proceeding at the election of the Beneficiary upon an Event of Default. As a condition precedent to the use of proceeds of the Loan for the Project and in consideration thereof, the Trustor specifically acknowledges that such proceeding may not grant the right to notice and opportunity to be heard in any judicial proceeding in a court having jurisdiction of the parties and the subject matters prior to the commencement of such proceedings and of the power of sale herein granted. The Trustor represents and warrants that it is an entity sophisticated in the financing of properties of the nature constituting the Project and has been fully represented by counsel in this matter and has been advised of the terms and conditions of this Deed of Trust and the specific provisions of this Article VI.

## **ARTICLE VII SECURITY AGREEMENT AND FIXTURE FILING**

### **Section 7.1 Grant of Security Interest**

The Trustor hereby grants to the Beneficiary a security interest in and to any and all portions of the Collateral which is deemed to be personal property and is subject to the Uniform Commercial Code, for the purpose of securing the payment of the Indebtedness and payment and performance by the Borrower of the Obligations.

**Section 7.2 Remedies**

(a) This Deed of Trust constitutes a security agreement with respect to the Collateral in which the Beneficiary is granted a security interest in Section 7.1 above. In addition to the rights and remedies provided under this Deed of Trust, the Beneficiary has all of the rights and remedies of a secured party under the Uniform Commercial Code as well as all other rights and remedies available at law or in equity. The Trustor, hereby agrees to deliver on demand and irrevocably constitutes and appoints the Beneficiary the attorney-in-fact of the Trustor to, at its expense, deliver and, if appropriate, to file with the appropriate filing officer or office such instruments as the Beneficiary may request or require in order to impose, perfect or continue the perfection of the lien or security interest created hereby.

(b) Upon the occurrence of any Event of Default, and subject to the timing of any sale of the Collateral as provided in Section 6.4(d), the Beneficiary has the following rights:

(1) to cause any of the Collateral which is personal property to be sold at any one or more public or private sales as permitted by applicable law and to apply the proceeds thereof to the Indebtedness or the satisfaction of any Obligation; and

(2) to apply to the Indebtedness or the satisfaction of any Obligation any Collateral which is cash, negotiable documents or chattel paper.

Any such disposition may be conducted by an employee or agent of the Beneficiary or the Trustee. Any Person, including any Borrower and the Beneficiary, will be eligible to purchase any part or all of such Personalty at any such disposition.

**Section 7.3 Expenses Relating to Sale of Collateral**

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

**Section 7.4 Fixture Filing**

This Deed of Trust covers certain goods which are or are to become fixtures related to the Land and CONSTITUTES A FIXTURE FILING with respect to such goods executed by the Trustor as debtor in favor of the Beneficiary as secured party. For purposes of the Uniform Commercial Code, the following information is supplied:

Name and Address of Debtor:

Centurion Resorts Coporation  
c/o The Berkley Group, Inc.  
3015 North Ocean Boulevard  
Suite 121  
Ft. Lauderdale, Florida 33308  
Attention: Marc J. Landau  
Telephone No.: 954-537-4765  
Telecopier No.: 954-566-5011

Debtor's State of Organization and  
Organizational Identification Number

Florida  
P04000019723

Name and Address of Record Owner of  
Real Estate (if different from Debtor):

N/A

Description of Real Estate:

See Exhibit A attached hereto.

Name and Address of Secured Party:

Residential Funding Corporation  
2425 East Camelback Road  
Suite 500  
Phoenix, Arizona 85016  
Attention: Managing Director Resort Finance  
Telephone No.: 480-224-7740  
Telecopier No.: 480-224-7760

This document covers goods which are or are to become fixtures.

### **Section 7.5 Further Assurances**

Trustor hereby irrevocably authorizes Beneficiary at any time and from time to time to file in any filing office any initial financing statements and amendments thereto without the Trustor's signature that (i) indicate the collateral as "all assets used or procured for use or otherwise relating to" the Project or words of similar effect, or as being of equal or lesser scope or in greater detail, and to indicate the Project as defined, or in a manner consistent with the term as defined, in this Deed of Trust and (ii) contain any other information required by Article 9 of the Uniform Commercial Code of any such filing office for the sufficiency or filing office acceptance of any initial financing statement or amendment, including whether Trustor is an organization, the type of organization and any organizational identification number issued to Trustor. Trustor agrees to provide any such information to Beneficiary promptly upon request. Trustor also ratifies its authorization for Beneficiary to have filed in any filing office in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof. Trustor shall pay to Beneficiary, from time to time, upon demand, any and all costs and expenses incurred by Beneficiary in connection with the filing of any such initial financing statements and amendments, including reasonable attorneys' fees and all disbursements. Such costs and expenses shall bear interest as provided in Section 6.8 from



the date paid by Beneficiary until the date repaid by Trustor, and such costs and expenses, together with such interest, shall be part of the Obligations and shall be secured by this Deed of Trust.

**ARTICLE VIII ASSIGNMENT OF LEASES, SALES DOCUMENTS, RENTS AND PROCEEDS AND AGREEMENTS**

**Section 8.1 Assignment of Leases, Sales Documents and Rents and Proceeds**

The Trustor, absolutely and unconditionally assigns and transfers the Leases, the Sales Documents, and the Rents and Proceeds to the Beneficiary, whether any Rents and Proceeds are now due, past due or to become due, and gives to and confers upon the Beneficiary the right, power and authority to enforce the Leases and Sales Documents and collect such Rents and Proceeds, and apply any Rents and Proceeds to the Indebtedness or the satisfaction of the Obligations. The Trustor irrevocably appoints the Beneficiary its agent to, at any time, demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, either in the name of the Trustor or in the name of the Beneficiary, for all such Rents and Proceeds and to enforce the Leases and Sales Documents. Neither the foregoing assignment of Leases, Sales Documents and Rents and Proceeds to the Beneficiary or the exercise by the Beneficiary of any of its rights or remedies under this Deed of Trust will be deemed to make the Beneficiary a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Project or the use, occupancy, enjoyment or operation of all or any part thereof, unless and until the Beneficiary, in person or by its own agent, assumes actual possession thereof, nor will appointment of a Receiver for the Project by any court at the request of the Beneficiary or by agreement with the Trustor or the entering into possession of the Project by such Receiver be deemed to make the Beneficiary a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Project or the use, occupancy, enjoyment or operation thereof prior to such appointment.

**Section 8.2 Reserved**

**Section 8.3 Revocable License**

Notwithstanding anything to the contrary contained herein or in the Note, so long as no Event of Default has occurred and is continuing, the Trustor has a license (i) to collect all Rents and Proceeds and all other sums which may become payable to the Trustor under the Project Agreements, and to first apply the same to the payment or performance of the Obligations as and when due as required herein or in the Loan Agreement, and thereafter in such manner as the Trustor chooses, and (ii) to enforce the Leases and Sales Agreements and the Project Agreements. Upon the occurrence and continuation of an Event of Default, the Beneficiary has the right, on written notice to the Trustor, to terminate and revoke the license herein granted to the Trustor and has the right and authority then or thereafter to exercise and enforce any and all of its rights and remedies provided in this Article VIII or by law or at equity.

**Section 8.4 Nonresponsibility**

The acceptance by the Beneficiary of the assignments with all the rights, powers, privileges and authority so granted will not obligate the Beneficiary to assume any obligations in

respect of the Leases, the Sales Documents and the Rents and Proceeds or under the Leases, the Sales Documents or the Project Agreements or take any action thereunder or to expend any money or incur any expense or perform or discharge any obligation, duty or liability in respect of the Leases, the Sales Documents and the Rents and Proceeds or under the Leases, the Sales Documents or the Project Agreements or to assume any obligation or responsibility for the nonperformance of the provisions thereof by the Trustor.

## **ARTICLE IX MISCELLANEOUS**

### **Section 9.1 Successor Trustee**

The Beneficiary may remove the Trustee or any successor trustee at any time or times and appoint a successor trustee by recording a written substitution in the county where the Land is located, or in any other manner permitted by law.

### **Section 9.2 No Waiver; Remedies Cumulative**

No failure or delay on the part of the Beneficiary in the exercise of any power, right or privilege hereunder or under the Note or any other Loan Document will impair such power, right or privilege or be construed to be a waiver of any Event of Default (however described) or acquiescence therein, nor will any single or partial exercise of any such power, right or privilege preclude any other or further exercise thereof, or of any other right, power or privilege. Except as specifically provided herein, the rights and remedies existing under this Deed of Trust, the Note and any other Loan Document are cumulative to and not exclusive of any rights or remedies otherwise available.

### **Section 9.3 Abandonment**

Any and all Personalty that upon foreclosure of the Project is owned by the Borrower and is used in connection with the operation of the Project may be deemed at the option of the Beneficiary to have become on such date a part of the Project and abandoned to the Beneficiary in its then condition.

### **Section 9.4 Notices**

All notices, requests and demands to be made hereunder to the parties hereto must be in writing (at the addresses set forth below) and must be given by any of the following means:

- (1) personal delivery;
- (2) reputable overnight courier service;
- (3) electronic communication, whether by telex, telegram or telecopying (if confirmed in writing sent by registered or certified, first class mail, return receipt requested); or
- (4) registered or certified, first class mail, return receipt requested.

Any notice, demand or request sent pursuant to the terms of this Deed of Trust will be deemed received (i) if sent pursuant subsection (1), upon such personal delivery, (ii) if sent pursuant to subsection (2), on the next Business Day following delivery to the courier service, (iii) if sent pursuant to subsection (3), upon dispatch if such dispatch occurs between the hours of 9:00 a.m. and 5:00 p.m. (recipient's time zone) on a Business Day, and if such dispatch occurs other than during such hours, on the next Business Day following dispatch and (iv) if sent pursuant to subsection (4), three days following deposit in the mail.

The addresses for notices are as follows:

If to the Trustor: Centurion Resorts Corporation  
c/o The Berkley Group, Inc.  
3015 North Ocean Boulevard  
Suite 121  
Ft. Lauderdale, Florida 33308  
Attention: Marc J. Landau  
Telephone No.: 954-537-4765  
Telecopier No.: 954-566-5011

With a courtesy copy to: Greenspoon, Marder, Hirschfeld, Rafkin,  
Ross & Berger, P.A.  
3015 North Ocean Boulevard  
Suite 102  
Ft. Lauderdale, Florida 33308  
Attention: Len Lubart, Esq.  
Telephone No.: 954-491-1120  
Telecopier No.: 954-565-5103

If to the Trustee: InterCity Escrow Services  
16 Crow Canyon Court, Suite 200  
San Ramon, California 94583  
Attention: Brian Hurley  
Telephone No.: 925-831-8555  
Telecopier No.: 925-831-8666

If to the Beneficiary: Residential Funding Corporation  
2425 East Camelback Road  
Suite 500  
Phoenix, Arizona 85016  
Attention: Managing Director Resort Finance  
Telephone No.: 602-224-7740  
Telecopier No.: 602-224-7760

With a copy to:

Residential Funding Corporation  
8400 Normandale Lake Boulevard, Suite 250  
Minneapolis, Minnesota 55437  
Attention: Chief Counsel  
Business Capital Group  
Telephone No.: 952-857-6911  
Telecopier No.: 952-857-6949

The failure to provide courtesy copies will not affect or impair the Beneficiary's rights and remedies against the Borrower. Such addresses may be changed by notice to the other parties given in the same manner as provided above.

**Section 9.5 Severability**

The illegality or unenforceability of any provision of this Deed of Trust or any instrument or agreement required hereunder will not in any way affect or impair the legality or enforceability of the remaining provisions of this Deed of Trust or any instrument or agreement required hereunder.

**Section 9.6 Joinder of Foreclosure**

Should the Beneficiary hold any other or additional security for the performance of the Obligations, its sale or foreclosure, upon any default in such performance, in the sole discretion of the Beneficiary, may be prior to, subsequent to, or joined or otherwise contemporaneous with any sale or foreclosure hereunder.

**Section 9.7 FORUM SELECTION; JURISDICTION; CHOICE OF LAW**

TRUSTOR ACKNOWLEDGES THAT THIS DEED OF TRUST WAS SUBSTANTIALLY NEGOTIATED IN THE STATE OF ARIZONA, DELIVERED BY TRUSTOR INTO THE STATE OF ARIZONA AND THAT THERE ARE SUBSTANTIAL CONTACTS BETWEEN THE PARTIES AND THE TRANSACTIONS CONTEMPLATED HEREIN AND THE STATE OF ARIZONA. FOR PURPOSES OF ANY ACTION OR PROCEEDING ARISING OUT OF THIS DEED OF TRUST, THE PARTIES HERETO HEREBY EXPRESSLY SUBMIT TO THE JURISDICTION OF ALL FEDERAL AND STATE COURTS LOCATED IN MARICOPA COUNTY, ARIZONA AND TRUSTOR CONSENTS THAT IT MAY BE SERVED WITH ANY PROCESS OR PAPER BY REGISTERED MAIL OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF ARIZONA IN ACCORDANCE WITH APPLICABLE LAW. FURTHERMORE, TRUSTOR WAIVES AND AGREES NOT TO ASSERT IN ANY SUCH ACTION, SUIT OR PROCEEDING THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURTS, THAT THE ACTION, SUIT OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM OR THAT VENUE OF THE ACTION, SUIT OR PROCEEDING IS IMPROPER. THE CREATION OF THIS DEED OF TRUST AND THE RIGHTS AND REMEDIES OF BENEFICIARY WITH RESPECT TO THE LAND, THE IMPROVEMENTS AND THE FIXTURES, AS PROVIDED HEREIN AND BY THE LAWS OF THE STATE WHERE

THE LAND IS LOCATED, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE WHERE THE LAND IS LOCATED, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OF CONFLICTS OF LAW. WITH RESPECT TO OTHER PROVISIONS OF THIS DEED OF TRUST, THIS DEED OF TRUST SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ARIZONA, WITHOUT GIVING EFFECT TO ITS PRINCIPLES OF CONFLICTS OF LAW. NOTHING IN THIS SECTION SHALL LIMIT OR RESTRICT THE RIGHT OF BENEFICIARY TO COMMENCE ANY PROCEEDING IN THE FEDERAL OR STATE COURTS LOCATED IN THE STATES IN WHICH THE COLLATERAL IS LOCATED TO THE EXTENT BENEFICIARY DEEMS SUCH PROCEEDING NECESSARY OR ADVISABLE TO EXERCISE REMEDIES AVAILABLE UNDER THIS DEED OF TRUST OR THE OTHER LOAN DOCUMENTS.

**Section 9.8 WAIVER OF JURY TRIAL**

WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS DEED OF TRUST OR ANY PROVISION HEREOF. TRUSTOR AND BENEFICIARY HEREBY AGREE THAT THIS DEED OF TRUST CONSTITUTES A WRITTEN CONSENT TO WAIVER OF TRIAL BY JURY PURSUANT TO THE PROVISIONS OF ALL APPLICABLE LAWS AND TRUSTOR DOES HEREBY CONSTITUTE AND APPOINT BENEFICIARY ITS TRUE AND LAWFUL ATTORNEY-IN-FACT, WHICH APPOINTMENT IS COUPLED WITH AN INTEREST.

**Section 9.9 Subordination**

At the option of the Beneficiary, this Deed of Trust may become subject and subordinate in whole or in part (but not with respect to priority of entitlement to any insurance proceeds, damages, awards, or compensation resulting from damage to the Project or condemnation or exercise of power of eminent domain), to any and all contracts of sale and/or any and all Leases or Sales Documents upon the execution by the Beneficiary and recording thereof in the Official Records the County in which the Project is located of a unilateral declaration to that effect. The Beneficiary may require the issuance of such title insurance endorsements to the title policy in connection with any such subordination as the Beneficiary, in its reasonable judgment, may determine are appropriate, and the Trustor will pay any cost or expense incurred in connection with the issuance thereof.

**Section 9.10 Waiver of Statute of Limitations**

The Trustor hereby waives, to the full extent allowed by law, the right to plead any statute of limitations as a defense to any obligation secured by this Deed of Trust; this waiver being a material inducement for the Beneficiary to accept this Deed of Trust.

### **Section 9.11 Additional Waivers**

The Trustor, waives the following:

- (1) any right to require the Beneficiary to (i) proceed against any Person, (ii) proceed against or exhaust any Collateral, or (iii) pursue any other remedy in its power; and
- (2) any defense arising by reason of any disability or other defense of the Borrower or any other Person, or by reason of the cessation from any cause whatsoever of the liability of the Borrower or any other Person.
- (3) any present or future law or judicial decision exempting the Collateral from attachment, levy or sale on execution, exemption from civil process, right of redemption (equitable or legal) or extension of time for payment.
- (4) all right to receive notices of an election by Trustee or Beneficiary to exercise, or its actual exercise of, any right, remedy or recourse provided for under the Loan Documents.

Until the Indebtedness has been paid in full, the Trustor has no right to subrogation, and the Trustor, waives any right to enforce any remedy which the Beneficiary now has or may hereafter have against the Borrower or against any other Person and waives any benefit of and any right to participate in any Collateral or security whatsoever now or hereafter held by the Beneficiary.

### **Section 9.12 Entire Agreement**

The Loan Documents set forth the entire understanding between the Borrower and the Beneficiary relative to the Loan and the same may not be amended except by a written instrument duly executed by each of the Borrower and the Beneficiary.

### **Section 9.13 Personalty Security Instruments**

If the Beneficiary at any time holds additional security for any obligations secured hereby, it may enforce the terms thereof or otherwise realize upon the same, at its option, either before or concurrently herewith or after a sale is made hereunder, and may apply the proceeds upon the Indebtedness without affecting the status of or waiving any right to exhaust all or any other security, including the security hereunder, and without waiving any breach or default or any right or power whether exercised hereunder or contained herein or in any such other security.

### **Section 9.14 Suits to Protect Project**

The Trustor must appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust, or of any additional or other security for the Obligations, the interest of the Beneficiary or the rights, powers and duties of the Trustee hereunder; and the Trustor will pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees (including, without limitation, court costs, expert witness fees, document reproduction expenses, costs of exhibit preparation, courier charges, and postage and

communication expenses), in any action or proceeding in which the Beneficiary and/or the Trustee may appear or be made a party, including foreclosure or other proceeding commenced by those claiming a right to any part of the Project in any action to partition or condemn all or part of the Project, whether or not pursued to final judgment, and in any exercise of the power of sale contained herein, whether or not the sale is actually consummated. In any such action or proceeding in which the Beneficiary is made a party, the Beneficiary may at its option defend such action, and all costs of such defense, including all court costs and reasonable attorneys' fees (including, without limitation, court costs, expert witness fees, document reproduction expenses, costs of exhibit preparation, courier charges, and postage and communication expenses), will be borne and paid by the Trustor.

### **Section 9.15 Charges for Statements**

The Trustor, agrees to pay the Beneficiary's reasonable charge, up to the maximum amount permitted by law, for any statement regarding the Obligations requested by the Borrower or on its behalf.

### **Section 9.16 Successors and Assigns; No Third Parties Benefited**

This Deed of Trust is entered into for the sole protection and benefit of the Beneficiary, the Beneficiary's Affiliates, and each of their permitted successors and assigns, and no other person or persons any right of action hereunder. The terms hereof inure to the benefit of the successors and assigns of the parties hereto; provided, however, that, except as otherwise permitted by the terms of this Deed of Trust, the Trustor's interest hereunder cannot be assigned or otherwise transferred without the prior written consent of the Beneficiary.

### **Section 9.17 Interpretation**

The following provisions govern the interpretation of this Deed of Trust:

- (a) Specific enumeration of rights, powers and remedies of the Trustee and the Beneficiary and of acts they may do and of acts the Trustor must do or not do will not exclude or limit the general.
- (b) The headings of each Article and Section are for convenience and do not limit or construe the contents of any provision hereof.
- (c) The provisions of the Loan Documents are to be construed as a whole according to their common meaning, not strictly for or against any party and consistent with the provisions herein contained, in order to achieve the objectives and purposes of such documents.
- (d) Each party and its counsel has reviewed and revised the Loan Documents and agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of such document.
- (e) The use in the Loan Documents of the words "including", "such as", or words of similar import when following any general term, statement or matter will not be construed to limit such statement, term or matter to the specific items or matters, whether or not language of

non-limitation such as "without limitation" or "but not limited to", or words of similar import are used with reference thereto, but rather will be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter.

(f) The term "Trustor" or "Borrower" will be deemed to refer to the original Trustor or Borrower and its successors and assigns (whether or not such assignee assumed the Obligations hereunder and under the Loan Documents); the term "Beneficiary" includes the Beneficiary named herein or any future owner or holder, including pledgee and participants, of the Note, or any other instrument secured hereby, or any participation therein; and the term "Trustee" includes the original Trustee and its successors and assigns. The references to the "Project" will be deemed to refer to all or any portion of the Project and any interest therein. References to "foreclosure" and related phrases will be deemed references to the appropriate procedure in connection with the Trustee's private power of sale as well as any judicial foreclosure proceeding or a conveyance in lieu of foreclosure.

### **Section 9.18      Commingling of Funds**

Any and all sums collected or retained by the Beneficiary hereunder (including insurance and condemnation proceeds and any amounts paid by the Trustor to the Beneficiary under Section 3.4 hereof), will not be deemed to be held in trust, and the Beneficiary may commingle such funds or proceeds with its general assets and will not be liable for the payment of any interest or other return thereon, except to the extent otherwise required by law.

### **Section 9.19      Costs and Fees**

(a) To the extent provided in the Loan Agreement, the Trustor agrees to pay the reasonable costs and expenses incurred by the Beneficiary in connection with the preparation, execution, delivery, administration, modification and amendment of this Deed of Trust, the other Project Documents and any other documents to be delivered hereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Beneficiary with respect thereto and with respect to advising the Beneficiary as to its rights and responsibilities under this Deed of Trust and the other Loan Documents.

(b) The Trustor further agrees to pay all reasonable costs and expenses of the Beneficiary (including, without limitation, reasonable counsel fees and expenses, court costs and all other litigation expenses, including, but not limited to, reasonable expert witness fees, document copying expenses, exhibit preparation, courier expenses, postage expenses and communication expenses) in connection with the Beneficiary's enforcement of this Deed of Trust, the other Loan Documents and any other documents delivered hereunder, including, without limitation, costs and expenses incurred in connection with any bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar proceeding, or any refinancing or restructuring in the nature of a "workout" of the Loan Documents and any other documents delivered by the Borrower related thereto. In addition, the Trustor must pay any and all stamp and other taxes payable or determined to be payable in connection with the execution and delivery of this Deed of Trust, the other Loan Documents and the other documents to be delivered hereunder, and agrees to hold the Beneficiary harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes.



(c) Whenever Trustor is obligated under the terms of this Section 9.19, any other section of this Deed of Trust or any other Loan Document to pay or reimburse Beneficiary for any attorneys' fees, those fees will include the costs for services of Beneficiary's in-house counsel; provided however that nothing herein will require the Trustor to pay the costs for the services of Beneficiary's in-house counsel which are duplicative of the services of Beneficiary's outside counsel.

(d) Payment from the Trustor of amounts due pursuant to this Section 9.19 will be due 10 days after it has received from the Beneficiary written notice of the nature of the item for which payment is required and the amount due, other than amounts due pursuant to the last sentence of the previous paragraph which amounts will be due on demand.

**Section 9.20 Waiver of Appraisalment, Homestead and Marshaling.**

The Trustor hereby waives to the full extent lawfully allowed, the benefit of any homestead, evaluation, stay and extension or exemption laws or any so called "moratorium laws" now or hereinafter in force and waives any rights available with respect to marshaling of assets so as to require the separate sales of any portion of the Project, or as to require the Beneficiary to exhaust its remedies against a specific portion of the Project before proceeding against the other and does hereby expressly consent to and authorize the sale of the Project or any part thereof as a single unit or parcel or as separate parcels. The Trustor, further waives to the full extent lawfully allowed the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisalment before sale of any portion of the Project commonly known as "Appraisalment Laws", and (ii) the benefit of all laws that may be hereafter enacted in any way extending the time of the enforcement of the collection of the Indebtedness or commonly known as "Stay Laws".

**Section 9.21 Time is of the Essence**

It is agreed that time is of the essence in the performance of this Deed of Trust.

**Section 9.22 Releases From Lien of Deed of Trust**

The Trustor may from time to time request that the Beneficiary release from the lien of this Deed of Trust, all or part of the property, real and/or personal, secured by this Deed of Trust, provided that the Trustor complies with the terms of Section 7.4 of the AD&C Loan Agreement. Provided that there is no Event of Default under the Loan Agreement, this Deed of Trust shall be released in total upon payment in full of the AD&C Loan.

**Section 9.23 Interest Rate Limitation**

The provisions of this Deed of Trust and the other Loan Documents are hereby expressly limited so that in no contingency or event whatever will the amount paid or agreed to be paid to the Beneficiary for the use, forbearance or detention of the sums evidenced by this Deed of Trust exceed the maximum amount permissible under applicable law. If from any circumstance whatever the performance or fulfillment of any provision of this Deed of Trust or of any other Loan Document should involve or purport to require any payment in excess of the limit prescribed by law, then the obligation to be performed or fulfilled is hereby reduced to the limit

of such validity, and if, from any circumstance whatever, the Beneficiary should ever receive as interest an amount which would exceed the highest lawful rate under applicable law, then the amount which would be excessive interest will be applied as an optional reduction of principal in accordance with the terms of the Loan Agreement (or, at the Beneficiary's option, be paid over to the Borrower), and will not be counted as interest.

**[Signature Page Follows]**

COPY

IN WITNESS WHEREOF, the Trustor has caused this Deed of Trust to be executed as of the day and year first above written.

TRUSTOR:

CENTURION RESORTS CORPORATION, a Florida corporation

By: [Signature]  
Printed Name: Marc J. Landau  
Its: Vice President

STATE OF Florida )  
COUNTY OF Broward ) ss.

On Apr. 28, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared Marc J. Landau, v.p., either 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 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.

[Signature]  
Notary Public

My Commission Expires:  
1/15/2008



**Frank A. Utset**  
Commission #DD281700  
Expires: Jan 15, 2008  
Bonded Thru  
Atlantic Bonding Co., Inc.

Exhibit A

LEGAL DESCRIPTION OF LAND

The land situated in the State of Nevada, County of Douglas and described as follows:

An undivided five hundred sixty-one three thousand two hundred and thirteenths (561/3213) interest as a tenant-in-common in the following described real property (The Real Property):

A portion of the North one-half of the Northwest one-quarter of Section 26, Township 13 North, Range 18 East, MDB&M, described as follows: Parcel 3, as shown on that amended Parcel Map for John E. Michelsen and Walter Cox recorded February 3, 1981, in Book 281 of Official Records, at Page 172, Douglas County, Nevada, as Document No. 53178, said map being an amended map of Parcels 3 and 4 as shown on that certain map for John E. Michelsen and Walter Cox, recorded February 10, 1978, in Book 278, of Official Records at Page 591, Douglas County, Nevada., as Document No. 17578.

EXCEPTING FROM THE REAL PROPERTY AND RESERVING TO GRANTOR, its successors and assigns, all those certain easements referred to in paragraphs 2.5, 2.6 and 2.7 of the Declaration of Timeshare use and amendments thereto together with the right to grant said easements to others.

SUBJECT TO all covenants, conditions, restrictions, limitations, easements, rights and rights-of-way of record.

A PORTION OF APN: 1318-26-101-006