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Attn: R. Ken Hines

DO-1040996-SK

Douglas County - NV
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Page: 1 Of 20 Fee: 33.00
BK-0905 PG-11704 RPTT: 0.00

**DEED OF TRUST,
ASSIGNMENT OF RENTS
AND SECURITY AGREEMENT**



ATTENTION: COUNTY RECORDER - THIS INSTRUMENT IS ALSO A FIXTURE FILING PURSUANT TO NRS 104.9501 and .9502, AND COVERS GOODS THAT ARE OR ARE TO BECOME FIXTURES ON THE REAL PROPERTY DESCRIBED HEREIN AND IS OR IS TO BE FILED FOR RECORD IN THE RECORDS WHERE DEEDS OF TRUST ON REAL ESTATE ARE RECORDED. ADDITIONALLY, THIS INSTRUMENT SHOULD BE APPROPRIATELY INDEXED, NOT ONLY AS A MORTGAGE BUT ALSO AS A FINANCING STATEMENT COVERING GOODS THAT ARE OR ARE TO BECOME FIXTURES ON THE REAL PROPERTY DESCRIBED HEREIN. THE MAILING ADDRESS OF GRANTOR (DEBTOR) AND BENEFICIARY (SECURED PARTY) ARE SET FORTH HEREIN.

THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (hereinafter referred to as "Deed of Trust") is made and entered into effective as of August 22, 2005, by the owner of the real property described hereinbelow, BENCOR/WATERLOO L.P., a Nevada limited partnership, whose mailing address is c/o Bencor, LLC, 90 S. Cascade Avenue, Suite 330, Colorado Springs, CO 80903 (hereinafter referred to as "Trustor"), to Northern Nevada Title Company whose mailing address is 512 N. Division Street, Carson City, Nevada 89703-4103 (hereinafter referred to as "Trustee"), in favor of WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, whose mailing address is P.O. Box 4377, Wichita Falls, Texas 76308-4377 (hereinafter referred to as "Beneficiary").

In consideration of the indebtedness herein recited and the trust herein created, Trustor irrevocably grants, conveys, transfers and assigns to Trustee, its successors and assigns, in trust, with power of sale and right of entry and possession to the extent that right of entry and possession is hereinafter provided:

All of Trustor's estate, right, title and interest now existing or hereafter acquired in, to and under that certain real property (the "Land") located in the County of Douglas, State of Nevada, more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof.

TOGETHER with:

- A. All structures and improvements now existing or to be hereafter constructed and erected on the Land;
- B. All easements, rights and appurtenances thereto or used in connection therewith;
- C. All rents, royalties, issues, profits, revenues, income and other benefits thereof or arising from the use or enjoyment of all or any portion thereof (subject however

to the rights and authorities given herein to Trustor to collect and apply such rents, royalties, issues, profits, revenues, income and other benefits);

D. All interests in and rights, royalties and profits, in connection with all minerals, oil and gas and other hydrocarbon substances thereon or therein, air rights, water, water rights (whether riparian, appropriative, underground, drilling rights, well rights, well site rights, water development rights, or otherwise, and whether or not appurtenant) and water stock shares of any and all water, water rights and water delivery corporations which shares are appurtenant to the Land or any part thereof;

E. All intangible property and rights relating to the Land, the improvements thereon, or the operation of either or both, or used in connection therewith, including without limitation, Trustor's interest, if any, in trade names and trademarks;

F. All furniture, fixtures, machinery, equipment, furnishings, building materials, appliances and goods of every nature whatsoever (collectively called "equipment and other personal property") now or hereafter owned by Trustor and located in, or on, or attached or affixed to, and used or intended to be used in connection with, the Land, including, but without limitation, all heating, cooling, lighting, laundry, incinerating, gas, electric and power equipment, engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating, and communications apparatus, air cooling and air conditioning, apparatus, elevators and escalators and related machinery and equipment, shades, awnings, blinds, curtains, drapes, attached floor coverings, including rugs and carpeting, television, radio and music cable antennae and systems, screens, storm doors and windows, stoves, refrigerators, dishwashers and other installed appliances, attached cabinets, partitions, ducts and compressors, and stepping stones, trees, plants, grass, ground cover, timber, crops and other items of landscaping whether boxed, placed in any containers or other planters on the Land or attached, affixed or growing in the Land;

all of which, including replacements and additions thereto, shall, to the fullest extent permitted by law and for the purposes of this Deed of Trust, be deemed to be part and parcel of, and appropriated to the use of, the Land and, whether affixed or annexed thereto or not, be deemed conclusively to be real property and conveyed by this Deed of Trust. Trustor agrees to execute and deliver, from time to time, such further instruments and documents as may be required by Beneficiary to confirm the lien of this Deed of Trust on any of the foregoing. The foregoing property, together with the Land, is referred to herein as the "Mortgaged Property."

FOR THE PURPOSE OF SECURING, in such order of priority as Beneficiary may elect:

(a) The repayment of the indebtedness and performance of the obligations evidenced by and set forth in that certain promissory note of even date herewith wherein Trustor appears as Borrower and Beneficiary appears as Lender, in the principal sum of Four Million Four Hundred Three Thousand and No/100 Dollars (\$4,403,000.00) with all interest thereon, and any and all late charges, prepayment charges, costs and fees required thereunder, and all extensions, renewals, modifications, amendments and replacements thereof (the "Note"), with the balance of such indebtedness, if not sooner paid, due and payable on August 22, 2007; provided, however, Trustor may, under certain circumstances, extend this final maturity date to February 22, 2008.



(b) The payment of all other sums which may be advanced by or otherwise be due to Trustee or Beneficiary or any successor to the interest of Beneficiary in and to the Note, under any provision of this Deed of Trust or under any other instrument or document referred to in clause (c) below, with interest thereon at the rate provided herein or therein;

(c) The performance of each and all of the covenants and agreements of Trustor contained:

(i) herein, in the Note, in any note evidencing a Future Advance (as hereinafter defined), and/or in that one certain Loan Agreement (the "Loan Agreement") dated as of August 22, 2005 between Trustor and Beneficiary, to which reference is here made for all purposes; and/or

(ii) in any and all loan commitments, pledge agreements, construction loan agreements, supplemental agreements, assignments and instruments of indebtedness or security now or hereafter executed by Trustor in connection with any indebtedness referred to in clauses (a), (b) or (d) of this paragraph or for the purpose of supplementing or amending this Deed of Trust or any instrument secured hereby (all of the foregoing in this clause (ii), together with the Loan Agreement, as any of the same may be amended, modified or supplemented from time to time, being referred to hereinafter as "Loan Documents");

(d) The repayment of any other loans or advances, with interest thereon, hereafter made to Trustor (or any successor in interest to Trustor as the owner of the Mortgaged Property or any part thereof) by Beneficiary when the promissory note evidencing the loan or advance specifically states that said note is secured by this Deed of Trust, together with all extensions, renewals, modifications, amendments and replacements thereof ("Future Advance").

ARTICLE I

COVENANTS OF TRUSTOR

To protect the security of this Deed of Trust, Trustor covenants and agrees as follows:

1.1 PERFORMANCE OF OBLIGATIONS SECURED. Trustor:

(a) Shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, the principal of and interest on any Future Advances, and any late charges, costs and fees provided for in the Note or in any note evidencing a Future Advance, or as provided for herein; and

(b) Shall further perform fully and in a timely manner all other obligations of Trustor contained herein or in the Note or in any note evidencing a Future Advance, or in any of the Loan Documents.

1.2 INSURANCE.

(a) Property Insurance.

(1) Trustor shall give to Beneficiary, with Beneficiary named as an additional insured, an extended coverage insurance policy (with extended coverage insurance against loss or damage by fire, theft, vandalism, malicious mischief, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke and other risks from time to time included under "Extended Coverage" policies including rent loss and loss resulting from the interruption of Trustor's business for a period of not less than twelve (12) months), insuring against loss from such extended coverage risks in at least an amount equal to one hundred percent (100%) of the full replacement cost of the improvements, including the value of materials and supplies stored at the construction site, and including all furniture, fixtures and equipment. In the event that the Mortgaged Property is located in a special flood hazard area, as designated by the United States Department of Housing and Urban Development, Trustor shall in writing inform Beneficiary of this fact prior to the closing of the Loan and shall provide Beneficiary a Flood Insurance Policy as required by the Flood Protection Act of 1973. Failure to disclose this information prior to the closing of the Loan shall constitute an Event of Default and any amounts advanced hereunder shall then become immediately due and payable.

(2) Each of the above policies shall contain, as applicable, a standard noncontributory mortgagee clause, a standard waiver of subrogation endorsement, and a full replacement cost endorsement. No co-insurance clause shall be permitted without having a "stipulated amount" endorsement as to the buildings.

(b) Liability Insurance. Trustor shall have in force a policy of public liability insurance with a single per occurrence limit of not less than Two Million Dollars (\$2,000,000.00), naming Beneficiary as an additional insured.

(c) Workmen's Compensation Insurance. Trustor shall provide Beneficiary with a certificate of the general contractor evidencing appropriate workmen's compensation or other insurance against liability arising from claims of workmen in respect of and during the period of any work on or about the Mortgaged Property.

(d) Insurance Company Ratings. Whenever a type or classification of insurance is written by insurance carriers that are rated by the Best Key Rating Property Insurance Guide, all policies shall be written by carriers having a rating of A:VIII.

(e) General Insurance Requirements. All policies of insurance described in this Section 1.2 shall be in form, substance, amount and written by an insurance carrier or carriers approved by Beneficiary. All such insurance shall be maintained during the term of the Loan and copies of all such policies and proof of payment of the premiums therefor shall be delivered to Beneficiary. All such policies shall provide that they may not be modified or canceled without thirty (30) days' prior written notice to Beneficiary. All of the above-mentioned insurance policies or certificates of such insurance satisfactory to Beneficiary, together with receipts for the payment of premiums thereon, shall be delivered to and held by Beneficiary, which delivery shall constitute assignment to Beneficiary of all return premiums to be held as additional security hereunder. All renewal and replacement policies or certificates shall be delivered to Beneficiary at least fifteen (15)



days before the expiration of the expiring policies. Beneficiary shall not by the fact of approving, disapproving, accepting, preventing, obtaining or failing to obtain any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of insurance contracts, solvency of insurance companies, or payment or defense of lawsuits, and Trustor hereby expressly assumes full responsibility therefor and all liability, if any, with respect thereto.

1.3 CONDEMNATION AND INSURANCE PROCEEDS.

(a) The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of or damage or injury to the Mortgaged Property, or any part thereof, or for conveyance in lieu of condemnation, are hereby assigned to and shall be paid to Beneficiary. In addition, all causes of action, and claims for relief, whether accrued before or after the date of this Deed of Trust, for all types for damages or injury to the Mortgaged Property or any part thereof, or in connection with any transaction financed by funds loaned to Trustor by Beneficiary and secured hereby, or in connection with or affecting the Mortgaged Property or any part thereof, including without limitation causes of action or claims for relief arising in tort (to the extent any of the foregoing causes of action or claims for relief arise in tort, only such as are a claim or claims for physical damage or injury to the Mortgaged Property or any portion thereof) are hereby assigned to Beneficiary as additional security and the proceeds shall be paid to Beneficiary. Beneficiary may at its option appear in and prosecute in its own name any action or proceeding to enforce any such cause of action or claim for relief and may make any compromise or settlement thereof. Trustor, immediately upon obtaining knowledge of the institution of any proceedings relating to condemnation or other taking of or damage or injury to the Mortgaged Property or any portion thereof, or knowledge of any casualty damage to the Mortgaged Property, any portion thereof or damage in any other manner, shall immediately notify Beneficiary in writing. Beneficiary may participate in any such proceedings and may join Trustor in adjusting any loss covered by insurance.

(b) Any and all proceeds recovered or recoverable in any cause of action or claim for relief which Trustor may now have or may acquire after the date of this Deed of Trust against any person whomsoever or entity whatsoever and which arises out of or in connection with any facts or circumstances which materially adversely affect the ability of Trustor to operate the Mortgaged Property shall be paid over to Beneficiary and shall be applied in accordance with the provisions of Section 1.3(c) hereof.

(c) All compensation, awards, proceeds, damages, claims, insurance recoveries, rights of action and payments which Trustor may receive or to which Trustor may become entitled under this Section 1.3 with respect to the Mortgaged Property, or any part thereof, shall be paid over to Beneficiary and shall be applied first toward reimbursement of all costs and expenses of Beneficiary in connection with recovery of the same, and then shall be applied, in the sole and absolute discretion of Beneficiary and without regard to the adequacy of its security hereunder, to the payment or prepayment (without premium) of any indebtedness secured hereby in such order as Beneficiary may determine, or to the reimbursement of Trustor for expenses incurred by it in the restoration of the Mortgaged Property. Any application of such amounts or any portion thereof to any indebtedness secured hereby shall not be construed to cure or waive any default or notice of default hereunder or invalidate any act done pursuant to any such default or notice. In the event that Beneficiary elects to make any monies available to Trustor to restore the Mortgaged Property, Trustor shall proceed forthwith with the completion of construction of the improvements, including the necessary work of restoration in accordance with the plans, specifications and drawings



submitted to and approved by Beneficiary; and any monies which Beneficiary so elects to make available for restoration shall be disbursed in accordance with standard construction lending practice or in any other manner approved by Beneficiary.

(d) Notwithstanding the provisions of Section 1.3(c) hereof, provided that Trustor is not in default under the Loan Documents beyond any applicable grace or notice and cure period, to the extent provided in the Loan Agreement, Trustor shall have the right and option to use and utilize the proceeds of any award or policy paid following an insured loss to rebuild or restore the Mortgaged Property; provided, however, that (i) Trustor shall deposit with Beneficiary the condemnation award or insurance proceeds, together with any additional amount required to complete rebuilding or restoration, to be disbursed pursuant to standard construction lending practice or in any other manner approved by Beneficiary; and (ii) such rebuilding or restoration shall be completed in accordance with plans and specifications approved by Beneficiary. If, however, the cost of rebuilding or restoration shall be less than the amount of insurance proceeds or the condemnation award, the excess over the estimated costs shall be applied by Beneficiary in reduction of the unpaid principal balance of the Note.

1.4 TAXES, LIENS AND OTHER ITEMS. Trustor shall pay all taxes, bonds, assessments, fees, liens, charges, fines, impositions and any and all other items which are attributable to or affect the Mortgaged Property and which may attain a priority over this Deed of Trust by making payment prior to delinquency directly to the payee thereof. Trustor shall promptly discharge any lien which has or may attain priority over this Deed of Trust.

1.5 RENTS AND PROFITS.

(a) All of the rents, royalties, issues, profits, revenue, income and other benefits of the Mortgaged Property arising from the use or enjoyment of all or any portion thereof or from any lease or agreement pertaining thereto (the "Rents and Profits"), whether now due, past due, or to become due, and including all prepaid rents and security deposits, are hereby absolutely, presently and unconditionally assigned, transferred, conveyed and set over to Beneficiary to be applied by Beneficiary in payment of the principal and interest, and all other sums payable on the Note, and of all other sums payable under this Deed of Trust. Prior to the happening of any Event of Default as set forth in Article II hereof, Trustor shall have a license to collect and receive all Rents and Profits, which license shall be terminable at the sole option of Beneficiary, without regard to the adequacy of its security hereunder and without notice to or demand upon Trustor, upon the occurrence of any Event of Default. It is understood and agreed that neither the foregoing assignment of Rents and Profits to Beneficiary nor the exercise by Beneficiary of any of its rights or remedies under this Section 1.5 or Article III hereof shall be deemed to make Beneficiary a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Mortgaged Property or the use, occupancy, enjoyment or operation of all or any portion thereof, unless and until Beneficiary, in person or by agent, assumes actual possession thereof; nor shall appointment of a receiver for the Mortgaged Property by any court either at the request of Beneficiary or by agreement with Trustor, or the entering into possession of the Mortgaged Property or any part thereof by such receiver, be deemed to make Beneficiary a "mortgagee-in-possession" or otherwise responsible or liable in any manner with respect to the Mortgaged Property or the use, occupancy, enjoyment or operation of all or any portion thereof.

(b) Trustor shall not execute any lease or other occupancy agreement (herein "leases") of any part of the Mortgaged Property other than on a form approved by Beneficiary, and



shall at all times fully perform the obligations of the lessor under all such leases. Trustor shall at any time or from time to time, upon request of Beneficiary, transfer and assign to Beneficiary in such form as may be satisfactory to Beneficiary, Trustor's interest in any lease, subject to and upon the condition, however, that prior to the occurrence of any Event of Default hereunder, except as provided in Section 1.5 (c) hereof, Trustor shall have a license to collect and receive all Rents and Profits under such lease after accrual, but not prior thereto, as set forth in Section 1.5(a) hereof. Whenever requested by Beneficiary, Trustor shall furnish to Beneficiary a certificate of Trustor setting forth the names of all lessees under any leases, the terms of their respective leases, the space occupied, and the rents payable thereunder.

(c) Without the prior written consent of Beneficiary, Trustor shall not (i) accept prepayments of rent exceeding one (1) month under any leases of any part of the Mortgaged Property, or (ii) take any action under or with respect to any such leases which would materially decrease either the obligations of the lessee thereunder or the rights or remedies of the lessor, or (iii) modify or amend any such leases except where the lessee is in default, cancel or terminate the same or accept a surrender of the leased premises, or (iv) create or permit any lien or encumbrance which, upon foreclosure, would be superior to any such leases, or (v) in any other manner impair Beneficiary's rights and interest with respect to the Rents and Profits.

(d) If Beneficiary hereafter requests Trustor to do so, each lease thereafter of the Mortgaged Property, or any part thereof, shall make provision for the attornment and nondisturbance of the lessee thereunder to any person succeeding to the interest of Trustor as the result of any foreclosure, trustee's sale or transfer in lieu of foreclosure hereunder, said provision to be in form and substance approved by Beneficiary.

1.6 SECURITY AGREEMENT. This Deed of Trust is intended to be a security agreement pursuant to the Nevada Uniform Commercial Code for any items of personal property specified above as part of the Mortgaged Property which, under applicable law, may be subject to a security interest pursuant to the Nevada Uniform Commercial Code and which are not herein effectively made part of the real property, and Trustor hereby grants Beneficiary a security interest in said personal property, and in all additions thereto, substitutions therefor and proceeds thereof, for the purpose of securing all indebtedness and other obligations of Trustor now or hereafter secured by this Deed of Trust, all of which shall be deemed part of the Mortgaged Property. Trustor agrees to execute and deliver financing and continuation statements covering said personal property from time to time and in such form as Beneficiary may require to perfect and continue the perfection of Beneficiary's lien or security interest with respect to said personal property and all the Mortgaged Property. Trustor shall pay all costs of filing such statements and renewals and releases thereof and shall pay all reasonable costs and expenses of any record searches for financing statements Beneficiary may reasonably require. Without the prior written consent of Beneficiary, Trustor shall not create or suffer to be created any other security interest in any part of the Mortgaged Property, including replacements and additions thereto. Upon the occurrence of any default of Trustor hereunder and the expiration of any applicable grace or notice and cure period, Beneficiary shall have the rights and remedies of a secured party under the Nevada Uniform Commercial Code as well as all other rights and remedies available at law or in equity, and, at Beneficiary's option, Beneficiary may also invoke the remedies provided in Article III of this Deed of Trust as to such personal property and all the portions of the Mortgaged Property which are personal property.

1.7 FURTHER ENCUMBRANCES OR SALES. Without the prior written consent of Beneficiary being first had and obtained, which consent may be given or withheld in Beneficiary's sole discretion, Trustor shall not:

(a) sell or transfer all or any portion of the Mortgaged Property or any interest therein. If such consent is given, the transfer shall nevertheless be subject to this Deed of Trust and payment of the indebtedness (including without limitation the Note) and performance of the obligations secured hereby. Any transferee shall be required to assume and shall be bound by all obligations of payment and performance pursuant to or secured by this Deed of Trust, including, without limitation, the obligation to pay the Note. Such assumption shall not release Trustor from any liability to Beneficiary without the prior consent of Beneficiary to such release and Trustor agrees to remain directly and primarily liable to Beneficiary pursuant hereto and for the payment and performances secured hereby despite such assumption. On the giving of such consent, the transferee (pursuant to any "sale or transfer" to which this Section 1.7 shall be applicable) agrees to pay on demand an initial service charge in an amount not to exceed one percent (1%) of the unpaid principal balance of the Note. Consent to one such transfer shall not be deemed to be a waiver by Beneficiary of the right to require consent to successive transfers. As used herein, the words "sale" or "transfer" include any sale, lease with option to purchase, lease for a term in excess of three (3) years, creation of any lien or other encumbrance subordinate to the lien of this Deed of Trust, alienation, disposition or conveyance of the Mortgaged Property and/or any personal property described herein or any portion thereof or interest therein, whether voluntary, involuntary or by operation of law or otherwise, or alienation, disposition, pledge or encumbrance, by Trustor's owner(s), on a cumulative basis, of more than ten percent (10%) of the ownership interest of Trustor, whether voluntary, involuntary or by operation of law or otherwise, but this provision shall not be applicable to the lease of the Mortgaged Property to Walgreen Co. as contemplated by the Loan Agreement.

(b) execute or deliver any pledge, security agreement, mortgage, deed of trust, or other instrument of hypothecation, covering all or any portion of the Mortgaged Property or any interest therein, save and except for a purchase money security interest in any personal property within the contemplation of paragraph 1.6, above, which may be prior to the lien of the security interest created hereby.

1.8 PRESERVATION AND MAINTENANCE OF MORTGAGED PROPERTY.

(a) Trustor shall keep the Mortgaged Property and every part thereof in good condition and repair, and shall not permit or commit any waste, impairment, or deterioration of the Mortgaged Property, nor commit, suffer or permit any act upon or use of the Mortgaged Property in violation of law or applicable order of any governmental authority, whether now existing or hereafter enacted and whether foreseen or unforeseen, or in violation of any covenants, conditions or restrictions affecting the Mortgaged Property, or bring or keep any article upon any of the Mortgaged Property or cause or permit any condition to exist thereon which would be prohibited by or could invalidate any insurance coverage maintained, or required hereunder to be maintained, by Trustor on or with respect to any part of the Mortgaged Property, and further shall do all other acts which from the character or use of the Mortgaged Property may be reasonably necessary to protect the security hereof, the specific enumerations herein not excluding the general. Trustor shall underpin and support, when necessary, any building, structure or other improvement situate on the Mortgaged Property and shall not remove or demolish any building on the Mortgaged

Property. Trustor shall complete or restore and repair promptly and in a good workmanlike manner any building, structure or improvement which may be constructed, damaged or destroyed thereon and pay when due all claims for labor performed and materials furnished therefor, whether or not insurance or other proceeds are available to cover in whole or in part the costs of any such restoration or repair; provided, however, that Trustor shall not demolish, remove, expand or extend any building, structure or improvement on the Mortgaged Property nor construct, restore, add to or alter any such building, structure or improvement, nor consent to or permit any of the foregoing to be done, without in each case obtaining the prior written consent of Beneficiary thereto. Trustor shall promptly notify Beneficiary in writing of any damage to the Mortgaged Property in excess of Twenty-Five Thousand Dollars (\$25,000.00).

(b) To the extent that the Mortgaged Property is used to grow vines, trees, plants, grass or ground cover, Trustor shall manage the same using good and proper practices of husbandry, and shall keep all vines, trees, plants, grass, and ground cover on the Mortgaged Property properly cultivated, irrigated, fertilized, sprayed, fumigated and maintained, and further shall replace promptly all dead or unproductive vines, trees, plants, grass and ground cover with new ones and keep all buildings, fences, ditches, canals, wells and other farming structures, improvements and equipment on the Mortgaged Property in good operating condition, order and repair.

(c) Trustor shall not drill or extract or enter into any lease for the drilling for or extraction of oil, gas or other hydrocarbon substances or any mineral of any kind or character on or from the Mortgaged Property or any part thereof without first obtaining Beneficiary's written consent.

(d) Trustor shall not initiate or acquiesce in any change in any zoning or other land use classification now or hereafter in effect and affecting the Mortgaged Property or any part thereof without in each case obtaining Beneficiary's prior written consent.

1.9 TRUSTEE'S COSTS AND EXPENSES; GOVERNMENTAL CHARGES. Trustor shall pay all costs, fees and expenses of Trustee, its agents and counsel in connection with the performance of its duties hereunder, including without limitation the cost of any trustee's sale guaranty or other title insurance coverage ordered in connection with any foreclosure proceedings hereunder, and shall pay all taxes (except federal and state income taxes) or other governmental charges or impositions imposed by any governmental authority on Trustee or Beneficiary by reason of their interest in the Note, or any note evidencing a Future Advance, or this Deed of Trust.

1.10 PROTECTION OF SECURITY; COSTS AND EXPENSES. Trustor shall appear in and defend any action or proceeding purporting to adversely affect the security hereof or the rights or powers of Beneficiary or Trustee, and shall pay all costs and expenses, including without limitation cost of evidence of title and reasonable attorneys' fees, as determined by the judge of the court, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust or to enforce or establish any other rights or remedies of Beneficiary hereunder. If Trustor fails to perform any of the covenants or agreements contained in this Deed of Trust, or if any action or proceeding is commenced which adversely affects Beneficiary's interest in the Mortgaged Property or any part thereof, including, but not limited to, eminent domain, code enforcement, or proceedings of any nature whatsoever under any federal or state law, whether now existing or hereafter enacted or amended, relating to bankruptcy, insolvency, arrangement, reorganization or other form of debtor relief, or to a decedent, then

Beneficiary or Trustee may, but without obligation to do so and upon notice to or demand upon Trustor and without releasing Trustor from any obligation hereunder, make such appearances, disburse such sums and take such action as Beneficiary or Trustee deems necessary or appropriate to protect Beneficiary's interest, including, but not limited to, disbursement of reasonable attorneys' fees, entry upon the Mortgaged Property to make repairs or otherwise protect the security hereof, and payment, purchase, contest or compromise of any encumbrance, charge or lien which in the judgment of either Beneficiary or Trustee appears to be prior or superior hereto. Trustor further agrees to pay all reasonable expenses of Beneficiary (including fees and disbursements of counsel) incident to the protection of the rights of Beneficiary hereunder, and enforcement or collection of payment of the Note or any Future Advances, whether by judicial or nonjudicial proceedings, or in connection with any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding of Trustor, or otherwise. Any amounts disbursed by Beneficiary or Trustee pursuant to this Section 1.10 shall be additional indebtedness of Trustor secured by this Deed of Trust and each of the Loan Documents as of the date of disbursement and shall bear interest at the Contract Rate set forth in the Note before demand. All such amounts shall be payable by Trustor upon demand and shall thereafter bear interest at the default rate set forth in the Note. Nothing contained in this Section 1.10 shall be construed to require Beneficiary or Trustee to incur any expense, make any appearance, or take any other action.

1.11 FUNDS FOR TAXES AND INSURANCE.

(a) Beneficiary may, at its option to be exercised prior to or upon the recordation of this Deed of Trust, or thereafter upon thirty (30) days' written notice to Trustor, require the deposit by Trustor, at the time of each payment of an installment of interest or principal under the Note, of an additional amount sufficient to discharge the obligations of Trustor under Sections 1.2 and 1.4 hereof as and when they become due. The determination of the amount payable and of the fractional part thereof to be deposited with Beneficiary shall be made by Beneficiary in its sole discretion. Said amounts shall be held by Beneficiary, not in trust, and not as agent of Trustor, and shall not bear interest, and shall be applied to the payment of the obligations in respect to which the amounts were deposited or, at the option of Beneficiary if the sums deposited shall be insufficient to pay all such obligations in full, to the payment of said obligations in such order or priority as Beneficiary shall determine. If at any time within thirty (30) days prior to the due date of any of the aforementioned obligations the amounts then on deposit therefor shall be insufficient for the payment of such obligation in full, Trustor shall within ten (10) days after receipt of written notice deposit the amount of the deficiency with Beneficiary. If the amounts deposited are in excess of the actual obligations for which they were deposited, Beneficiary shall refund any such excess to Trustor. Nothing herein contained shall be deemed to affect any right or remedy of Beneficiary under any other provision of this Deed of Trust or under any statute or rule of law to pay any such amount and to add the amount so paid to the indebtedness hereby secured.

(b) If Beneficiary requires deposits to be made pursuant to Section 1.11(a) hereof, Trustor shall deliver to Beneficiary true and correct copies of all tax bills, bond and assessment statements, statements of insurance premiums, and statements for any other obligations referred to above as soon as the same are received by Trustor.



(c) If Beneficiary sells or assigns this Deed of Trust, Beneficiary shall have the right to transfer all amounts deposited under Section 1.11(a) hereof to the purchaser or assignee, and Beneficiary shall thereupon be released and have no further liability hereunder for the application of such deposits, and Trustor shall look solely to such purchaser or assignee for such application and for all responsibility relating to such deposits.

ARTICLE II EVENTS OF DEFAULT

Each of the following shall constitute an event of default ("Event of Default") hereunder (including, if Trustor or any successor to Trustor consists of more than one person or entity, the occurrence of any of such events with respect to any one or more of such persons or entities):

2.1 Failure to make any payment of principal or interest on the Note or any Future Advance, when and as the same shall become due and payable, whether at maturity or by acceleration or otherwise, which failure shall have continued for a period of ten (10) days following notice from Beneficiary to Trustor specifying such failure; or default in the performance of any of the covenants or agreements of Trustor contained herein, or in the Note, or in any note evidencing a Future Advance, or in any of the Loan Documents (which do not relate to the payment of principal or interest); subject, however, to the expiration of a period of thirty (30) days following notice from Beneficiary specifying such default within which to cure such default thereunder.

2.2 Any other Event of Default pursuant to the Loan Agreement.

ARTICLE III REMEDIES

Upon the occurrence of any Event of Default and the expiration of any applicable period within which to cure the same in addition to any other rights and remedies available pursuant to the Loan Agreement or any of the other Loan Documents, Trustee and Beneficiary shall have the following rights and remedies:

3.1 **ACCELERATION.** Beneficiary may declare the entire principal amount of the Note and/or any Future Advances then outstanding (if not then due and payable), and accrued and unpaid interest thereon, and all other sums or payments required thereunder, to be due and payable immediately, and notwithstanding the stated maturity in the Note, or any note evidencing any Future Advance, the principal amount of the Note and/or any Future Advances and the accrued and unpaid interest thereon and all other sums or payments required thereunder, shall thereupon become and be immediately due and payable.

3.2 **ENTRY.** Without regard to the value of the security, Beneficiary in person or by agent or by court-appointed receiver may enter upon, take possession of, manage and operate the Mortgaged Property or any part thereof and do all things necessary or appropriate in Beneficiary's sole, absolute, and uncontrolled discretion in connection therewith, including without limitation making and enforcing, and if the same be subject to modification or cancellation, modifying or canceling leases upon such terms or conditions as Beneficiary deems proper, obtaining and evicting tenants, and fixing or modifying rents, contracting for and making repairs and alterations,



and doing any and all other acts which Beneficiary deems proper to protect the security hereof; and either with or without so taking possession, in its own name or in the name of Trustor, suing for or otherwise collecting and receiving the Rents and Profits, including those past due and unpaid, and applying the balance after paying costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. Upon request of Beneficiary, Trustor shall assemble and make available to Beneficiary at the site of the Land any of the Mortgaged Property which has been removed therefrom. The entering upon and taking possession of the Mortgaged Property, or any part thereof, the collection of any Rents and Profits and the application thereof as aforesaid shall not cure or waive any default theretofore or thereafter occurring or affect any notice of default hereunder or invalidate any act done pursuant to any such default or notice and, notwithstanding continuance in possession of the Mortgaged Property or any part thereof by Beneficiary, Trustor or a receiver, and the collection, receipt and application of the Rents and Profits, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust or by law or in equity. Subject to any notice provisions and other provisions affording Trustor an opportunity to cure defaults hereunder, any and all such actions may be taken by Beneficiary irrespective of whether any notice of default or election to sell has been given hereunder and without regard to the adequacy of the security for the indebtedness hereby secured. The exercise by Beneficiary of any of the remedies provided herein shall be deemed an acceleration pursuant to Section 3.1 hereof.

3.3 JUDICIAL ACTION. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust or to enforce any of the covenants and agreements hereof which are specifically enforceable, and seek damages for the breach of other covenants and agreements.

3.4 POWER OF SALE. Beneficiary may elect to cause the Mortgaged Property or any part thereof to be sold under the power of sale herein granted in any manner permitted by applicable law. In connection with any sale or sales hereunder, Beneficiary may elect to treat any of the Mortgaged Property which consists of a right in action or which is property that can be severed from the real property covered hereby or any improvements thereon without causing structural damage thereto as if the same were personal property, and dispose of the same in accordance with applicable law, separate and apart from the sale of real property. Beneficiary shall not, however, sever fixtures from the Land and dispose of the same as personal property or sell other personal property, subject hereto, apart from the Land unless required by law to do so, or unless the law does not permit joint sale of said other personal property with the Land. Any sale of any personal property hereunder shall be conducted in any manner permitted by the Nevada Uniform Commercial Code, including the sale of personal property as part of the sale of real property as permitted by the Nevada Uniform Commercial Code. Should Beneficiary elect to sell the Mortgaged Property, or any part thereof, which is real property or which Beneficiary has elected to treat as real property or sell as personal property with any such sale of any real property as provided above, Beneficiary or Trustee shall give such notice of default and election to sell as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, and without the necessity of any demand on Trustor, Trustee, at the time and place specified in the notice of sale, shall sell said real property or part thereof at public auction to the highest bidder for cash in lawful money of the United States. Trustee may, and upon request of Beneficiary shall, from time to time, postpone to the extent permitted by applicable law any sale hereunder by public announcement thereof at the time and place noticed therefor. If the Mortgaged Property consists of several lots, parcels or items of property, Beneficiary may designate the order in which such lots, parcels or items shall be offered



for sale or sold. Any person, including Trustor, Trustee or Beneficiary, may purchase at any public sale hereunder, and Beneficiary shall have the right to purchase at any public sale hereunder by crediting upon the bid price the amount of all or any part of the indebtedness hereby secured. Should Beneficiary desire that more than one sale or other disposition of the Mortgaged Property be conducted, Beneficiary may, at its option, and in the manner permitted by applicable law, 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 Beneficiary may deem to be in its best interests, and no such sale shall terminate or otherwise affect the lien of this Deed of Trust on any part of the Mortgaged Property not sold until all indebtedness secured hereby has been fully paid. Upon any sale hereunder, Trustee shall execute and deliver to the purchaser or purchasers a deed or deeds conveying the property so sold, but without any covenant or warranty whatsoever, express or implied, whereupon such purchaser or purchasers shall be let into immediate possession; and the recitals in any such deed or deeds of facts, such as default, the giving of notice of default and notice of sale, and other facts affecting the regularity or validity of such sale or disposition, shall be conclusive proof of the truth of such facts, and any such deed or deeds shall be conclusive against all persons as to such facts recited therein.

3.5 PROCEEDS OF SALE. Subject to the provisions of NRS 40.462, the proceeds of any sale made under or by virtue of this Article III, together with all other sums which then may be held by Trustee or Beneficiary under this Deed of Trust; whether under the provisions of this Article III or otherwise, shall be applied as follows:

FIRST: To the payment of the costs and expenses of operation of the Mortgaged Property to the extent that the same shall not be paid from operating revenues, to the costs and expenses of exercising the power of sale and of sale, including the payment of the Trustee's and reasonable attorney's fees, actually incurred, to the payment of all expenses, liabilities and advances made or incurred by Trustee under this Deed of Trust, together with interest on all advances made by Trustee at the Contract Rate set forth in the Note until demand and thereafter at the Default Rate set forth in the Note.

SECOND: To the payment of the entire amount then due, owing or unpaid for principal and interest upon the Note and any notes evidencing any Future Advances, with interest on the unpaid principal at the rate set forth therein from the date of advancement thereof until the same is paid in full.

THIRD: To the payment of any and all sums expended by Beneficiary under the terms hereof, not then repaid, with accrued interest at the Default Rate set forth in the Note, and all other sums (except advances of principal and interest thereon) required to be paid by Trustor pursuant to any provisions of this Deed of Trust, or the Note, or any note evidencing any Future Advance, or any of the Loan Documents, including without limitation all expenses, liabilities and advances made or incurred by Beneficiary under this Deed of Trust or in connection with the enforcement thereof, together with interest thereon at the default rate set forth in the Note.

FOURTH: The remainder, if any, to the person or persons legally entitled thereto.

3.6 WAIVER OF MARSHALING. Trustor, for itself and for all persons hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Deed of Trust, hereby expressly waives and releases all rights (except as may be granted by the statutes of the State of Nevada) to direct the order in which any of the Mortgaged Property shall



be sold in the event of any sale or sales pursuant hereto and to have any of the Mortgaged Property and/or any other property now or hereafter constituting security for any of the indebtedness secured hereby marshalled upon any foreclosure of this Deed of Trust or of any other security for any of said indebtedness.

3.7 REMEDIES CUMULATIVE. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission of Trustee or Beneficiary to exercise any right or power accruing upon any Event of Default shall impair any right or power or shall be construed to be a waiver of any Event of Default or any acquiescence therein; and every power and remedy given by this Deed of Trust to Trustee or Beneficiary may be exercised from time to time as often as may be deemed expedient by Trustee or Beneficiary. If there exists additional security for the performance of the obligations secured hereby, Lender under the provisions of the Note, at its sole option, and without limiting or affecting any of its rights or remedies hereunder, may exercise any of the rights and remedies to which it may be entitled hereunder either concurrently with whatever rights and remedies it may have in connection with such other security or in such order as it may determine. Any application of any amounts or any portion thereof held by Beneficiary at any time as additional security hereunder, whether pursuant to Section 1.3 or Section 3.2 hereof or otherwise, to any indebtedness secured hereby shall not extend or postpone the due dates of any payments due from Trustor to Beneficiary hereunder or under the Note, any Future Advances or any of the Loan Documents, or change the amounts of any such payments or otherwise be construed to cure or waive any default or notice of default hereunder or invalidate any act done pursuant to any such default or notice.

ARTICLE IV

MISCELLANEOUS

4.1 SEVERABILITY. In the event that any one or more of the provisions contained in this Deed of Trust shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Deed of Trust, but this Deed of Trust shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

4.2 CERTAIN CHARGES. Interest rate charges on default are provided for in the Note at a Default Rate, and late charges are also provided for in the Note.

4.3 NOTICES. Except as otherwise required by applicable law, any notice or submission to be given under the provisions of this Deed of Trust or any notice to be given in relationship to this Deed of Trust, shall be addressed:

If intended for Trustor:

Bencor/Waterloo L.P.
c/o Bencor, LLC
90 S. Cascade Avenue, Suite 330
Colorado Springs, CO 80903
Attention: Jon S. Gorski, Esq.



If intended for Beneficiary and mailed:

Wells Fargo Bank, National Association
P. O. Box 4377
Wichita Falls, TX 76308-4377
Attention: Business Banking

If intended for Trustee:

Northern Nevada Title Company
512 N. Division St.
Carson City, NV 89703-4103

and Trustor, Beneficiary or Trustee may direct the change of the address to which notices may be given by giving notice to the other parties pursuant to the terms of this Section, and thereafter such new noticed address shall be utilized for the purposes of notices being given under the provisions of this Deed of Trust. Service of any notice or other communication so made shall be deemed effective on the day of actual delivery as shown by the addressee's return (or the hand-delivery) receipt or upon the expiration of forty-eight (48) hours after the date of mailing, if mailed, whichever is earlier in time, except that service of any notice of default or notice of sale provided or required by law shall, if mailed, be deemed effective on the date of mailing.

4.4 TRUSTOR NOT RELEASED. Extension of the time for payment or modification of the terms of payment of any sums secured by this Deed of Trust granted by Beneficiary to any successor in interest of Trustor shall not operate to release, in any manner, the liability of the original Trustor. Beneficiary shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify the terms of payment of the sums secured by this Deed of Trust by reason of any demand made by the original Trustor. Without affecting the liability of any person, including Trustor, for the payment of any indebtedness secured hereby, or the lien of this Deed of Trust on the remainder of the Mortgaged Property for the full amount of any such indebtedness unpaid, Beneficiary and Trustee are respectively empowered as follows: Beneficiary may from time to time and without notice (a) release any person liable for the payment of any of the indebtedness, (b) extend the time or, with the consent of Trustor, otherwise alter the terms of payment of any of the indebtedness, (c) accept additional real or personal property of any kind as security therefor, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security, or (d) alter, substitute or release any property securing the indebtedness; Trustee may, at any time, and from time to time, upon the written request of Beneficiary (w) consent to the making of any map or plat of the Mortgaged Property or any part thereof, (x) join in granting any easement or creating any restriction thereon, (y) join in any subordination or other agreement affecting this Deed of Trust or the lien or charge hereof, or (z) reconvey, without any warranty, all or any part of the Mortgaged Property.

4.5 INSPECTION. Beneficiary may at any reasonable time or times make or cause to be made entry upon and inspections of the Mortgaged Property or any part thereof in person or by agent.

4.6 FULL RECONVEYANCE. Upon the payment in full of all sums secured by this Deed of Trust, and upon the performance in full of all terms, conditions and obligations of Trustor under the provisions of all contracts secured by this Deed of Trust, Beneficiary shall request Trustee to

reconvey the Mortgaged Property and shall surrender this Deed of Trust and all notes, if any, evidencing indebtedness secured by this Deed of Trust to Trustee. Upon payment of its fees and any other sums owing to it under this Deed of Trust, Trustee shall reconvey the Mortgaged Property, without warranty to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any. The recitals in such conveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Six (6) years after issuance of such full reconveyance, Trustee may destroy said notes, if any, and this Deed of Trust unless otherwise directed by Beneficiary.

4.7 STATUTE OF LIMITATIONS. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the fullest extent permitted by law.

4.8 INTERPRETATION. Wherever used in this Deed of Trust, unless the context otherwise indicates a contrary intent, or unless otherwise specifically provided herein, the word "Trustor" shall mean and include both Trustor and any subsequent owner or owners of the Mortgaged Property, and the word "Beneficiary" shall mean and include not only the original Beneficiary hereunder but also any future owner, holder or assignee, including pledgees, of the Note secured hereby, the evidence of any other indebtedness or obligation secured hereby and this Deed of Trust. In this Deed of Trust whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the neuter includes the feminine and/or masculine, and the singular number includes the plural and conversely. In this Deed of Trust, the use of the word "including" shall not be deemed to limit the generality of the term or clause to which it has reference, whether or not nonlimiting language (such as "without limitation," or "but not limited to," or words of similar import) is used with reference thereto. The captions and headings of the Articles and Sections of this Deed of Trust are for convenience only and are not to be used to interpret, define or limit the provisions hereof

4.9 CONSENT; DELEGATION TO SUB-AGENT. The granting or withholding of consent by Beneficiary to any transaction as required by the terms hereof shall not be deemed a waiver of the right to require consent to future or successive transactions. Wherever a power of attorney is conferred upon Beneficiary hereunder, it is understood and agreed that such power is conferred with full power of substitution, and Beneficiary may elect in its sole, absolute and uncontrolled discretion to exercise such power itself or to delegate such power, or any part thereof, to one or more sub-agents.

4.10 SUCCESSORS AND ASSIGNS; JOINT AND SEVERAL LIABILITY. All of the grants, obligations, covenants, agreements, terms, provisions and conditions herein shall apply to be binding upon and inure to the benefit of, the heirs, administrators, executors, legal representatives, successors and assigns of Trustor and the substitutes for and successors of Trustee as a trustee and the endorsees, transferees, successors and assigns of Beneficiary. In the event that Trustor is composed of more than one party, the obligations, covenants, agreements, and warranties contained herein as well as the obligations arising therefrom are and shall be joint and several as to each such party.

4.11 GOVERNING LAW. Except where preempted by the laws and regulations of the United States, this Deed of Trust and the Loan shall be interpreted and construed in accordance with and be governed by the laws of the State of Nevada. Trustor hereby consents to jurisdiction



of the courts of the State of Nevada and the U.S. District Court for the District of Nevada and agrees that the proper venue for any suit or proceeding arising out of this Deed of Trust shall be Churchill County, Nevada.

4.12 **SUBSTITUTION OF TRUSTEE.** Beneficiary may at Beneficiary's sole cost and expense remove Trustee at any time or from time to time and appoint a successor trustee, and upon such appointment, all powers, rights, duties and authority of Trustee, as aforesaid, shall thereupon become vested in such successor. Such substitute trustee shall be appointed by written instrument, duly recorded in the county or counties where the Land is located, namely Nevada, which appointment may be executed by any authorized agent of Beneficiary or in any other manner permitted by applicable law.

4.13. **RIGHTS OF SUBROGATION.** To the extent that proceeds of the Note are used to pay any outstanding lien, charge or encumbrance against or affecting the Mortgaged Property, such proceeds have been advanced by Beneficiary at Trustor's request, and Beneficiary shall be subrogated to all rights, interests and liens owned or held by any owner or holder of such outstanding liens, charges and encumbrances, irrespective of whether such liens, charges or encumbrances are released or assigned of record. If any person or entity other than Trustor pays any part of the indebtedness secured hereby, including without limitation, any guarantor of such indebtedness, such person or entity shall not be subrogated in or to any lien, interest or assignment created herein until such time as the entire indebtedness secured hereby is paid in full.

4.14 **CONSTRUCTION MORTGAGE.** This Deed of Trust secures an obligation incurred, in part, for the construction of an improvement on the Land and is intended to be a "construction mortgage" within the contemplation of Section 104.9334, Nevada Revised Statutes, as amended.

4.15 **LOAN AGREEMENT.** Notwithstanding anything herein which might be deemed to the contrary, in the event of any irreconcilable conflict between the terms of this Deed of Trust and the terms of the Loan Agreement, the terms of the Loan Agreement shall control.

TRUSTOR:

BENCOR/WATERLOO L.P.

By **BENCOR DEVELOPMENT, LLC,**
General Partner

By *Raymond J. Walkowski Jr.*
Raymond J. Walkowski, Jr., Manager

STATE OF COLORADO)
)
COUNTY OF EL PASO)

On this, the 22nd day of September, 2005, before me, the undersigned Notary Public, personally appeared Raymond J. Walkowski, Jr., who acknowledged himself to be a duly authorized Manager of Bencor Development, LLC, a Colorado limited liability company, general partner of Bencor/Waterloo L.P., a Nevada limited partnership, and that he, being authorized so to do, executed the foregoing instrument in such capacity for the purposes therein contained.

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

Allison M. Smart
Notary Public

My Commission Expires: 8/9/2009



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DO-1040996-LS
1040996

EXHIBIT "A"

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

PARCEL 1:

A parcel of land located within a portion of Section 4, Township 12 North, Range 20 East, Mount Diablo Baseline and Meridian, Douglas County, Nevada, described as follows:

COMMENCING at the Northeasterly corner of Kingslane Unit No. 1 as recorded per Document No. 43243, Douglas County, Nevada, Recorder's Office;

THENCE along the Southwesterly right-of-way of U.S. Highway 395 South 51°06'00" East, 42.32 feet, more or less, per the Grant Deed description recorded in Book 786 at Page 372 as Document No. 03036;

THENCE continuing South 51°06'00" East, 514.70 feet to **THE POINT OF BEGINNING**;

THENCE continuing South 51°06'00" East, 199.59 feet;

THENCE South 38°54'00" West, 210.87 feet;

THENCE North 50°51'03" West, 199.59 feet;

THENCE North 38°54'00" East, 210.00 feet to **THE POINT OF BEGINNING**.

Reference is hereby made to that certain Record of Survey Map of Lampe Ranch, recorded May 7, 1965 as File No. 28058 and to that certain Record of Survey Map to accompany a Lot Line Adjustment for Double D Investments recorded on June 26, 1990 as File No. 228900, Official Records.

NOTE: Legal description previously contained in Book 596 at Page 907 Document No. 387117, recorded on May 6, 1996.

PARCEL 2:

A parcel of land located within a portion of Section 4, Township 12 North, Range 20 East, Mount Diablo Baseline and Meridian, Douglas County, Nevada, described as follows:

COMMENCING at the Northeasterly corner of Kingslane Unit No. 1 as recorded per Document No. 43243, Douglas County, Nevada, Recorder's Office;

THENCE along the Southwesterly right-of-way of U.S. Highway 395 South 51°06'00" East, 42.32 feet, more or less, per the Grant Deed description recorded in Book 786 at Page 372 as Document No. 03036;

THENCE continuing South 51°06'00" East, 714.29 feet to the point of beginning;

THENCE continuing South 51°06'00" East, 254.30 feet;

Continued...



EXHIBIT "A" Continued...

THENCE South 87°30'45" West, 37.04 feet;

THENCE along the arc of a curve to the right, non-tangent to the preceding course having a delta angle of 55°00'26", a radius of 100.00 feet and an arc length of 96.00 feet;

THENCE South 44°52'36" West, along the Northerly right-of-way line of Waterloo Lane, 102.10 feet;

THENCE North 50°51'03" West, 249.77 feet;

THENCE North 38°54'00" East, 210.87 feet to the point of beginning.

Reference is hereby made to those certain Record of Survey Maps recorded on May 7, 1965 as File No. 28058 and on June 26, 1990 as File No. 228900, Official Records.

NOTE: Legal description previously contained in Book 894 at Page 4104 Document No. 344617, recorded on August 24, 1994.

