

OFFICIAL RECORD
Requested By:
FIRST AMERICAN TITLE COMPANY

Douglas County - NV
Werner Christen - Recorder
Page: 1 of 26 Fee: 39.00
BK-1205 PG- 6698 RPTT: 0.00



APN 1319-30-516-040

Recording requested by:

After recording mail to:
John P. Fowler
6100 Neil Road, Suite 500
Reno, NV 89511-1149

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

THIS DEED OF TRUST AND SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS (the "Deed of Trust") is made as of the 14th day of December, 2005, by and among BEHRINGER HARVARD LAKE TAHOE, LLC, a Nevada limited liability company whose address is 15601 Dallas Parkway, Suite 600, Addison, Texas 75001, as trustor and debtor (hereinafter referred to as "Trustor"), First American Title Company of Nevada, as trustee ("Trustee"), and STAN P. MILLAN, an unmarried man, whose address is P.O. Box 12215, 1069 Skyland Drive, Zephyr Cove, Nevada 89448, as secured party and beneficiary (hereinafter referred to as "Beneficiary").

W I T N E S S E T H:

THAT TRUSTOR:

Grants, bargains, sells, transfers, conveys, and assigns the following described real property and related collateral to Trustee, in trust, with power of sale, to have and to hold the same unto Trustee and its successors in interest for and on behalf of Beneficiary upon the trusts, covenants, and agreements herein expressed:

DESCRIPTION OF COLLATERAL

All right, title, and interest of Trustor that is now owned, or hereafter acquired, in or to that certain real property situate in the County of Douglas, State of Nevada, that is more particularly described on that certain exhibit marked Exhibit A, affixed

hereto and by this reference incorporated herein and made a part hereof (the "Land"), together with and including, without limitation:

(a) All right, title, and interest of Trustor whether now owned or hereafter acquired, in or to any real property lying within the right of way of any street, open or proposed, that adjoins any of the Land and any and all sidewalks, bridges, elevated walkways, tunnels, alleys, strips, and gores of real property adjacent to, connecting, or used in connection with any of the Land (collectively, the "Adjacent Property");

(b) All buildings, structures, and all other improvements and fixtures that are, or that may be hereafter erected or placed on, or in, the Land and all right, title, and interest of Trustor that is now owned or hereafter acquired, in or to, all buildings, structures, and all other improvements and fixtures that are, or that may be hereafter, erected or placed on, or in, any of the Adjacent Property (collectively, the "Improvements");

(c) All present and future rights and entitlements, of any nature whatsoever, to develop, improve, or construct improvements to, permit improvements to exist on, or otherwise make use of, any of the Land, Adjacent Property, and/or Improvements including, without limitation, any right to transfer any portion of such rights and entitlements or any interest therein (collectively, the "Land Use Entitlements"), regardless of whether such Land Use Entitlements are being utilized at any time and regardless of whether such Land Use Entitlements are transferred or severed from the Land, Adjacent Property, or Improvements at any time;

(d) All water rights and conditional water rights that are now, or may hereafter be, appurtenant to, used in connection with, or intended for use in connection with the Land, the Adjacent Property, and/or the Improvements, including, without limitation: (i) ditch, well, pipeline, spring, and reservoir rights, whether or not adjudicated or evidenced by any well or other permit; (ii) all rights with respect to groundwater underlying the Land or the Adjacent Property; (iii) any permit to construct any water well, water from which is intended to be used in connection with the Land or the Adjacent Property; (iv) all of Trustor's right, title, and interest under any decreed or pending plan of augmentation or water exchange plan; and (v) all water right credits or similar entitlements recognized by any water service provider (collectively, the "Water Rights", and together with the Land, the Adjacent Property, the Improvements, and the Land Use Entitlements, the "Real Estate");

(e) All present and future interest of Trustor as lessor, sublessor, licensor, concessionor, franchisor, Trustor, or similar party to any lease, sublease, license, concession, franchise, and other use or occupancy agreement now or hereafter relating to any of the Real Estate and all renewals, extensions, amendments, restatements, and other modifications thereof (collectively, the "Occupancy Agreements");

(f) All present and future rents, issues, products, earnings, revenues, payments, profits, royalties, and other proceeds and income of the Real Estate, and of any activities conducted thereon or in connection therewith, regardless of whether such proceeds or income accrue by virtue of the Occupancy Agreements, or otherwise (collectively, the "Rents"), subject, however, to the absolute assignment given to Beneficiary in Section 11 hereof entitled Assignment of Rents, and to which Section this grant to the Trustee is subject and subordinate; and

(g) All and singular the tenements, easements, hereditaments and appurtenances now, or hereafter, belonging to or in any wise appertaining to the Real Estate and/or the Rents and the reversion and reversions, remainder and remainders thereof and all the estate, right, title, interest or other claim which Trustor now has or hereafter may acquire of, in and to the Real Estate, the Occupancy Agreements, the Rents and/or any part thereof, with the appurtenances thereto (collectively, the "Other Interests").

The Real Estate, the Occupancy Agreements, the Rents, and the Other Interests are hereinafter collectively referred to as the "Real Property".

AND THAT TRUSTOR:

Grants a security interest to Beneficiary in the following described collateral, which Trustor now has or may hereafter acquire, pursuant to the Commercial Code:

DESCRIPTION OF COLLATERAL

All right, title, and interest of Trustor that is now owned, or hereafter acquired, in or to, any of the following, to the extent that it constitutes personal property (collectively, the "Personal Property"):

(a) The Land Use Entitlements;

- (b) The Water Rights;
- (c) All rights, remedies, powers, and/or privileges of Trustor with respect to any of the foregoing;
- (d) Any and all proceeds, products, rents, income, and profits of any of the foregoing, including, without limitation, all money, accounts, general intangibles, deposit accounts, documents, instruments, chattel paper, goods, insurance proceeds, and any other tangible or intangible property received upon the sale or disposition of any of the foregoing.

The Real Property and the Personal Property described hereinabove are hereinafter collectively referred to as the "Property."

FOR THE PURPOSE OF SECURING:

A. Payment when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand, or otherwise (including payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), of: (i) the principal sum that is, at any time, advanced and unpaid under the promissory note of the same date as this Deed of Trust in the principal amount of EIGHT MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$8,500,000), and all renewals, extensions, amendments, restatements, replacements, substitutions and other modifications thereof, made by Trustor and payable to the order of Beneficiary (the "Note"); (ii) and other charges accrued on such principal sum, or accrued on interest and other charges then outstanding under the Note (all including, without limitation, interest and other charges that, but for the filing of a petition in bankruptcy with respect to Trustor would accrue on such obligations); and (iii) any other obligations of Trustor under the Note.

B. Payment and performance of every obligation, covenant, promise, and agreement of Trustor herein contained or incorporated herein by reference, including, without limitation, reimbursement of any sums paid or advanced by Beneficiary pursuant to the terms hereof.

C. Payment of the expenses and costs incurred or paid by Beneficiary in the preservation and enforcement of the rights and remedies of Beneficiary and the duties and liabilities of Trustor under this Deed of Trust, including, but not by way of limitation, reasonable attorney's fees, court costs, witness fees, expert witness fees, collection costs,

Trustee's fees and costs of a Trustee's Sale Guarantee, and reasonable costs and expenses paid by Beneficiary in performing for the account of Trustor, any obligation of Trustor.

D. Payment of additional sums and interest thereon that may hereafter be loaned to Trustor when evidenced by a promissory note or notes that recite that this Deed of Trust is security therefor.

The foregoing are described herein as the "Secured Obligations". All persons who may have or acquire an interest in all or any part of the Property will be considered to have notice of, and will be bound by, the terms of the Secured Obligations and each other agreement or instrument made or entered into in connection with each of the Secured Obligations.

AND THIS INDENTURE FURTHER WITNESSETH:

1. Certain Representations and Warranties of Trustor. Trustor represents, warrants, and covenants that this Deed of Trust creates a first priority deed of trust lien and/or, to the extent applicable, a first priority security interest on the Property, subject only to "Permitted Exceptions", which are defined as follows: liens for taxes, assessments, or governmental charges not then due and payable or not then delinquent, liens consented to in writing by Beneficiary, and easements, licenses, or rights-of-way, hereafter granted to any Governmental Authority or public utility providing services to the Property.

2. Payment of Secured Obligations. Without limitation of any obligation Trustor may have hereunder, or otherwise, Trustor shall pay when due all obligations that it may have hereunder.

3. Compliance with Laws. Trustor shall comply in all material respects with all recorded covenants and restrictions affecting the Property and with all applicable, material, existing and future laws, rules, regulations, orders, and ordinances of any "Governmental Agency", which is defined as any federal, state, regional, county, or municipal governmental agency, board, commission, officer, or official whose consent or approval is required or whose regulations must be followed as a prerequisite to (i) the continued operation and occupancy of the Property and other business activities conducted by Trustor or (ii) the performance of any act or obligation or the observance of any agreement, provision, or condition of whatever nature herein contained.

4. Maintenance of Property. Except to the extent that any of the following would be prohibited under, or would constitute a violation of, the terms and conditions of this Deed of Trust, Trustor agrees: (a) to properly care for and keep the

Property in good condition and repair; (b) not to remove, demolish, or substantially alter any material building on the Property, except upon the prior written consent of Beneficiary; (c) to complete promptly and in a good and workmanlike manner any building or other improvement that may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefor; (d) not to commit or permit any waste or deterioration of the Property (ordinary wear and tear, casualty, and condemnation excepted); (e) not to commit, suffer, or permit any act to be done, or condition to exist, in or upon the Property in material violation of any law, covenant, condition, or restriction now, or hereafter, affecting the Property (including any that require alteration or improvement thereof); (f) to keep and maintain all grounds, sidewalks, roads, parking, and landscaped areas situate on the Property in good and neat order and repair; (g) not to drill or extract or enter into any lease for the drilling for or extraction of oil, gas, or other hydrocarbon substances, hydrothermal resource, or any mineral of any kind or character on or from the Property or any part thereof; and (h) except as otherwise permitted in this Deed of Trust, to do all other acts, in a timely and proper manner, that, from the character or use of the Property may be reasonably necessary to maintain and preserve its value, the specific enumerations herein not excluding the general.

5. Insurance.

(a) Trustor shall obtain, or cause to be obtained, and shall maintain or cause to be maintained, at all times during the continuance of this trust, at its own cost and expense, and shall deposit with Beneficiary policies or certified copies of policies of fire and hazard insurance with extended coverage, reasonably acceptable to Beneficiary, issued by a company or companies authorized to issue such insurance within the State of Nevada, insuring all buildings, improvements, and contents located on the Property in an amount equal to the maximum full insurable value of such buildings, improvements, furnishings, fixtures, and equipment (such policies shall not contain a co-insurance provision whereby Trustor in the event of loss becomes a co-insurer), with property damage, public liability, and such other insurance coverage as required by Beneficiary.

(b) All policies shall provide that the insurer shall notify Beneficiary in writing not less than twenty (20) days prior to the cancellation of any such policy. The property damage and public liability insurance policies shall name Beneficiary as additional insured and shall contain minimum limits of coverage reasonably acceptable to Beneficiary. Certified copies of policies, or certificates thereof, shall be delivered to and held by Beneficiary and shall contain a loss payable endorsement naming Beneficiary as an additional loss payee.

(c) All monies received from "All Risk" insurance policies (including flood and earthquake policies) covering any of the Property shall be paid directly to Beneficiary and: (i) retained by Beneficiary; or (ii) released to Trustor by Beneficiary; all in accordance with Section 7 below. Nothing in this Deed of Trust shall be deemed to excuse Trustor from restoring, repairing, and maintaining the Property, as herein provided, whether or not any such proceeds are sufficient in amount, or whether or not the Property can be restored to the same condition an character as existed prior to such damage or destruction.

6. Eminent Domain. Any award of damages in connection with any condemnation or similar actions in regard to the Property, or any part thereof, shall be paid directly to Beneficiary and shall be: (i) retained by Beneficiary; or (ii) released to Trustor by Beneficiary; all in accordance with Section 7 below.

7. Distribution of Capital Proceeds Upon Occurrence of Fire or Casualty. All monies received from fire, flood, and hazard extended insurance policies covering any of the Property, shall be paid directly to Beneficiary. In the event the amount paid to Beneficiary is equal to or less than Twenty-Five Thousand Dollars (\$25,000.00), then at the option of Trustor, unless an Event of Default has occurred hereunder and is then continuing, in which case at the option of Beneficiary, such amount may be applied to pay the outstanding balance of the notes secured hereby; or the entire Note amount so collected, or any part thereof, may be released to Trustor for repair or replacement of the property destroyed or to reimburse Trustor for the costs of such repair or replacement incurred prior to the date of such release. In the event the amount so collected is applied by Beneficiary to reduce the outstanding balance of the notes secured hereby, the entire amount received shall be applied in the priority determined by Beneficiary. In the event Beneficiary elects to, or is required to, release all or a portion of the collected funds to Trustor for such repair or replacement of the property destroyed, such release of funds shall be made in accordance with the following terms and conditions:

(a) The repairs, replacements, and rebuilding shall be made in accordance with plans and specifications approved by Beneficiary and in accordance with all applicable laws, ordinances, rules, regulations, and requirements of Governmental Authorities;

(b) Trustor shall provide Beneficiary with a detailed estimate of the costs of such repairs or restorations;

(c) Trustor satisfied the Beneficiary that after the reconstruction is completed, the value of the Property, as determined by the Beneficiary in its reasonable



discretion, will not be less than the value of the Property prior to such destruction as determined by the Beneficiary;

(d) No Default or Event of Default has occurred and is continuing hereunder;

(e) Such work shall be commenced by Trustor within one hundred twenty (120) days after (i) settlement made with the insurance companies shall have been received, and (ii) all the necessary governmental approvals shall have been obtained; and such work shall be completed within a reasonable time, free and clear of all liens and encumbrances;

(f) In the event the insurance or condemnation proceeds are inadequate to repair or replace the property destroyed or condemned and Beneficiary elects to or is required to release all or a portion of the funds collected for such repair or replacement, Trustor agrees to deposit with Beneficiary sufficient funds to cover the difference between the costs of repair or replacement and the funds released by Beneficiary to Trustor for such repair or replacement of the property destroyed.

8. Taxes and Assessments. Trustor shall pay all taxes, assessments, and other governmental charges or levies affecting the Property, or any part thereof, except such taxes, assessments, and other governmental levies as are being contested in good faith by Trustor and for which Trustor has made provisions satisfactory to Beneficiary for eventual payment thereof in the event that it is found that the same is a lawful obligation of Trustor.

9. Lien Claims. Trustor shall promptly pay and discharge or cause to be paid and discharged all claims and liens for labor done and materials and services supplied and furnished in connection with the Property, except such claims and liens, if any, as are being contested in good faith by Trustor by appropriate proceedings and for which Trustor has maintained reserves satisfactory to Beneficiary for the payment thereof..

10. Easements, Land Use Entitlements, and Water Rights.

(a) Trustor hereby warrants and represents that: (i) all of the Land Use Entitlements and Water Rights are appurtenant to, and none of the Land Use Entitlements or Water Rights have been severed from, any of the Real Estate; (ii) it has not taken any action or commenced any proceedings, with any other Governmental Authority, to provide for transfer or severance of any of the Land Use Entitlements or Water Rights, from the Real Estate; and (iii) it has not transferred, conveyed, hypothecated, or otherwise alienated any interest in any of the Land Use Entitlements or

Water Rights, or entered into an agreement to do any of the foregoing. Trustor hereby covenants that: (i) it will not do, or enter into an agreement to, do any of the foregoing; and (ii) it will take all actions reasonably necessary to maintain the validity and enforceability of the Land Use Entitlements and the Water Rights and to preserve its interest therein.

(b) Trustor acknowledges and agrees that its intention in execution and delivery of this Deed of Trust is to provide Beneficiary with a first priority lien on and/or security interest in the Land Use Entitlements and the Water Rights. To the extent that this Deed of Trust fails to provide Beneficiary with such a first priority lien, Trustor agrees to take all actions of further assurance, as may be requested by Beneficiary in order to confirm, establish, perfect, and/or provide notice of, a first priority lien and/or security interest in the Land Use Entitlements and the Water Rights in favor of Beneficiary.

(c) Trustor hereby appoints Beneficiary as its attorney-in-fact, which appointment is coupled with an interest and is irrevocable, to take all actions and enter into all agreements, on Trustor's behalf, that may be necessary or desirable, at any time during the continuance of an Event of Default, to provide for performance of Borrower's obligations under this Section 10.

11. Assignment of Rents.

(a) Trustor hereby presently, absolutely, and unconditionally assigns to Beneficiary, which assignment shall be effective without Beneficiary having to first take possession of the Property, all of Trustor's interests in any and all present and future Occupancy Agreements and Rents, reserving unto Trustor the right, prior to the occurrence of any Event of Default (as defined herein), to collect and retain the Rents as they may become due and payable. Upon the occurrence of any Event of Default as defined herein, such license reserved to Trustor shall be immediately revoked without further demand or notice; and any Rents, including those past due, unpaid or undetermined, may be collected by Beneficiary or its agent. In addition to any other actions that may be taken by Beneficiary to collect the Rents in accordance herewith, Beneficiary may, at any time, by a receiver to be appointed by a court of competent jurisdiction in accordance with Section 21(b) below, enter upon and take possession of the Property, or any part thereof, and exercise such rights and remedies as are provided by Section 21(b) and 21(c) below including, without limitation, suing for or otherwise collecting the Rents (including those past due or unpaid). All Rents collected hereunder, less costs and expenses of operation and collection (including reasonable attorneys' fees), shall be applied towards satisfaction of the Secured Obligations, in such order as determined by Beneficiary. The collection of such



Rents, and the application thereof as aforesaid, shall not cure or constitute a waiver of any default or notice of default hereunder or invalidate any act done pursuant to such notice. Trustor and Beneficiary intend that this assignment shall be a present, absolute, and unconditional assignment, not an assignment for additional security only, and shall, immediately upon the execution hereof, subject to the license granted above, give Beneficiary, and its agent, the right to collect the Rents and to apply them as aforesaid. Nothing contained herein, nor any collection of Rents by Beneficiary, or its agent or a receiver, shall be construed to make Beneficiary: (i) a "Mortgagee-in-Possession" of the Property so long as Beneficiary has not itself entered into actual possession of the Property; (ii) responsible for performing any of the obligations of the lessor under any Occupancy Agreement; (iii) responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property; or (iv) liable in any manner for the Property or the use, occupancy, enjoyment, or operation of all or any part of it (provided that this clause (iv) shall not act to relieve Beneficiary from liability resulting from the gross negligence or willful misconduct of Beneficiary).

(b) Trustor hereby represents that, except for Permitted Exceptions (as defined), there are no assignments or pledges of any leases of, or rentals or income from, the Property now in effect, and covenants that, until this trust terminates, it will not make any such assignment or pledge (other than Permitted Exceptions) to anyone other than Beneficiary.

12. Performance by Trustee or Beneficiary. Should Trustor fail to make any payment or perform any act that it is obligated to make or perform hereunder; then the Trustee, or Beneficiary, at the election of either of them, without giving notice to Trustor, or any successor in interest of Trustor, and without releasing Trustor from any obligation hereunder, may make such payment or perform such act and incur any liability, or expend whatever amounts, in its discretion, it may deem necessary therefor. All sums incurred or expended by the Trustee, or Beneficiary, under the terms of this Section, shall become due and payable by Trustor to the Beneficiary, on the next interest or installment payment date under any of the promissory notes secured hereby and shall bear interest until paid at an annual percentage rate equal to two percent (2%) over the interest rate otherwise applicable to each such note (the "Default Rate"). In no event shall such payment or performance of any such act by Trustee or Beneficiary be construed as a waiver of the default occasioned by Trustor's failure to make such payment(s) or perform such act(s).

13. Actions Affecting Property. Trustor promises and agrees that if, during the existence of this trust, there shall be commenced or pending any suit or action affecting the Property, or any part thereof, or the title thereto, or if any adverse claim for or

against the Property, or any part thereof, be made or asserted, it will appear in and defend any such matter purporting to affect the security of this Deed of Trust and will pay all costs and damages arising because of such action.

14. Subrogation. To the extent that any sums advanced by Beneficiary are used to pay any outstanding lien, charge, or prior encumbrance against the Property, such sums shall be deemed to have been advanced by Beneficiary at the request of Trustor; and Beneficiary shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges, and prior encumbrances, regardless of whether said liens, charges, or encumbrances are released.

15. Due on Sale. If Trustor shall be voluntarily, or involuntarily, divested of title or possession of any of the Property, by merger or otherwise, or shall lease, sell, convey, further encumber, or in any other manner voluntarily or involuntarily alienate any of its interest in any of the Property, or shall enter into an agreement to do any of the foregoing, in all cases, then, at the option of Beneficiary, any indebtedness or obligation secured hereby, irrespective of the maturity dates expressed in any notes evidencing the same, shall immediately become due and payable. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions.

16. Partial or Late Payment. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment, when due, of all other sums so secured or to declare default, as herein provided, for failure to so pay.

17. Certain Acts by Trustee or Beneficiary. At any time, and from time to time, without liability therefor and without notice to Trustor, upon written request of Beneficiary and, if required by Trustee, upon presentation of this Deed of Trust and any notes secured hereby for endorsement, and without affecting the effect of this Deed of Trust upon the remainder of the Property, Trustee may: reconvey to Trustor any part of the Property; consent in writing to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or subordination agreement in connection herewith. Beneficiary may without notice to or consent of Trustor extend the time of the payment of any indebtedness secured hereby to any successors in interest of Trustor without discharging Trustor from liability thereon.

18. Full Reconveyance. Upon receipt of written request from Beneficiary reciting that all obligations under the Note and any other notes secured hereby, and all other sums then due and owing and secured hereby, have been paid and, if required by Trustee, upon surrender of this Deed of Trust and the Note secured hereby to Trustee for cancellation



and retention, or such other disposition as Trustee, in its sole discretion, may choose, and upon payment of its fees, the Trustee shall reconvey, without warranty or recourse and at the expense of Trustor, the Property then held hereunder; and the assignment set forth by Section 11 above shall be of no further force or effect. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truth thereof. The grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto".

19. Right of Beneficiary and Trustee to Appear. If, during the existence of the trust, there be commenced or pending any suit or action affecting the Property, or any part thereof, or the title thereto, or if any adverse claim for or against the Property, or any part thereof, be made or asserted, then the Trustee or Beneficiary (unless such suit, action, or claim is being contested in good faith by Trustor and Trustor shall have established and maintained adequate reserves in accordance with generally accepted accounting principles for the full payment and satisfaction of such suit or action if determined adversely to Trustor, provided that such reserves may include, to the extent permitted by generally accepted accounting principles, insurance proceeds that would be payable to Trustor as a result of any such adverse determination), may appear or intervene in the suit or action and retain counsel therein and defend same, or otherwise take such action therein as they may be advised, and may settle or compromise same or the adverse claim; and in that behalf and for any of the purposes, the Trustee or Beneficiary may pay and expend such sums of money as the Trustee or Beneficiary may deem to be necessary; and Trustor shall reimburse Trustee, or Beneficiary, as the case may be, for such sums expended, together with accrued interest thereon, at the Default Rate.

20. Events of Default. Any of the following events and the passage of any applicable notice and cure periods shall constitute an Event of Default hereunder:

(a) Any representation or warranty made by Trustor pursuant to or in connection with this Deed of Trust, the Note, or any other report, certificate, financial statement, or other writing furnished by Trustor in connection herewith, shall prove to be false, incorrect, or misleading in any materially adverse aspect as of the date when made and such representation or warranty shall continue to be false, incorrect and misleading for 30 days after written notice thereof is delivered to Trustor by Beneficiary.

(b) Trustor shall have defaulted in the payment of any principal or interest on the Note or any other note secured hereby when due, and such default continues for a period of more than five (5) days;

(c) Trustor shall have defaulted under the terms of any other obligation owing Beneficiary, which default continues beyond any applicable grace period therein contained;

(d) Trustor shall have defaulted in the payment of any late charge, fees, expenses, indemnities, or any other amount owing under this Deed of Trust for a period of five (5) days after notice thereof to Trustor from Beneficiary;

(e) Trustor shall fail duly and punctually to perform or comply with any other term, covenant, condition, or promise contained in this Deed of Trust, the Note, or any other obligation to Beneficiary, and such failure shall continue for thirty (30) days after written notice thereof is delivered to Trustor by Beneficiary of such failure;

(f) Trustor shall commence a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to it or its debts under the Bankruptcy Code or any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official, for any substantial part of its property, or shall consent to any such relief or to the appointment or taking possession by any such official in any involuntary case or other proceeding against it;

(g) An involuntary case or other proceeding shall be commenced against Trustor seeking liquidation, reorganization, or other relief with respect to itself or its debts under the Bankruptcy Code or any bankruptcy, insolvency, or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official, for any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days;

(h) Trustor makes an assignment for the benefit of its creditors, or admits in writing its inability to pay its debts generally as they become due;

(i) Trustor shall fail to pay when due in accordance with its terms and provisions any other indebtedness of Trustor which failure materially impairs the security interests of Beneficiary and continues beyond the period of grace, if any, therefor;

(j) The occurrence of an event of default or an event that with the lapse of time or notice or both would become an event of default under or in respect of any agreement by which Trustor is bound or which causes or permits acceleration of any obligation of Trustor under or in respect of any such agreement which occurrence materially

impairs Trustor's ability to repay its respective obligations under the Note and this Deed of Trust;

(k) Trustor shall be voluntarily or involuntarily divested of title or possession to the Property, or any of them, or shall lease or in any other manner, voluntarily or involuntarily, alienate any of its respective interest in the Property, or any of them, other than the Permitted Exceptions.

(l) The occurrence of any Reportable Event as defined under the ERISA that Beneficiary determines in good faith constitutes proper grounds for the termination of any employee pension benefit plan or pension plan of Trustor covered by ERISA by the Pension Benefit Guaranty Corporation, or for the appointment by an appropriate United States District Court of a trustee to administer any such plan, should occur and should continue for thirty (30) days after written notice of such determination shall have been given to Trustor by Beneficiary;

(m) Commencement against Trustor, any time after the execution of this Deed of Trust, of any litigation that is not stayed, bonded, dismissed, terminated, or disposed of to Beneficiary's satisfaction within ninety (90) days after its commencement, and that (i) could materially adversely affect the priority of the encumbrance and security interest granted Beneficiary by the Deed of Trust in the Property, or (ii) results in the issuance of a preliminary or permanent injunction that is not dissolved or stayed pending appeal within sixty (60) days of its issuance and which preliminary or permanent injunction materially adversely affects Trustor's right to use the Property; and

(n) Any order, judgment, or decree shall be entered against Trustor decreeing its involuntary dissolution or split up and such order shall remain undischarged and unstayed for a period in excess of thirty (30) days; or Trustor shall otherwise dissolve or cease to exist.

21. Remedies. Upon, and at any time subsequent to, the occurrence of an Event of Default, Beneficiary and/or Trustee will be entitled to invoke any and all of the following rights and remedies, all of which will be cumulative, it being provided that exercise of any one or more of such rights and remedies shall not constitute an election of remedies:

(a) With respect to any Event of Default as defined in any of Section 20 hereof (other than Events of Default, as defined by Sections 20(f), (g), or (h)), all sums secured hereby shall, at the option of Beneficiary, and upon the giving of notice required, if any, become immediately due and payable. With respect to any Event of Default



as defined in any of Section 20(f), (g), or (h), all sums secured hereby shall automatically become due and payable without notice and without any action on the part of Beneficiary.

(b) Beneficiary may apply to any court of competent jurisdiction, by ex parte application or otherwise, for, and obtain appointment of, a receiver for the Property or any part thereof, without notice to Trustor or anyone claiming under Trustor (except to the extent that such notice may otherwise be required by applicable law), as a matter of absolute right, and without regard to the then value of the Property, the adequacy of any security for the obligations secured hereby, or the solvency of any person or entity liable therefor; and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers of receivers in like or similar cases and all the powers of Beneficiary in case of entry as provided by subsection (c) below and shall continue as such and exercise all such powers until the termination of such receivership with the consent of Beneficiary or pursuant to an order of a court of competent jurisdiction. All expenses incurred by the receiver or his agents, including obligations to repay funds borrowed by the receiver, shall constitute a part of the obligations secured hereby. Any revenues collected by the receiver shall be applied first to the expenses of the receivership, including attorneys' fees incurred by the receiver and by Beneficiary, together with interest thereon at the Default Rate from the date incurred until repaid; and the balance shall be applied toward the obligations secured hereby or in such other manner as the court may direct.

(c) Beneficiary, in person, by agent or by court appointed receiver, under subsection (b) above, may enter, take possession of, manage, and operate all or any part of the Property, subject to applicable laws, and may also do any and all other things in connection with those actions that Beneficiary may, in its sole discretion, consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include, among other things, any of the following: taking and possessing all of Trustor's or the then owner's books and records with respect to the Property; obtaining and evicting tenants in accordance with any applicable leases; fixing or modifying rents in accordance with any applicable leases; collecting and receiving any payment of money owing to Trustor with respect to the Property; completing construction; and contracting for and making repairs and alterations. If Beneficiary so requests, Trustor shall assemble all of the Property that has been removed from the Property in violation of this Deed of Trust and make all of it available to Beneficiary at the site of the Property. Trustor hereby irrevocably constitutes and appoints Beneficiary (or, if applicable, Beneficiary's receiver) as Trustor's attorney-in-fact to perform such acts and execute such documents as Beneficiary in its sole discretion may consider to be appropriate in connection with taking these measures. All expenses incurred by Beneficiary or its agents under this subsection 21(c) shall constitute a part of the obligations secured hereby. Any revenues collected by Beneficiary shall be applied first to



the expenses so incurred (including attorneys' fees) together with interest thereon at the Default Rate from the date incurred until repaid; and the balance shall be applied toward the obligations secured hereby or in such other manner as the court may direct.

(d) If the notice of breach and election to sell that is required by Chapter 107 of the Nevada Revised Statutes shall be first recorded, and if the time period after such recording that is required by Chapter 107 of the Nevada Revised Statutes shall have elapsed, then Trustee, its successors or assigns, on demand by Beneficiary, shall sell the above-granted premises, in order to accomplish the objects of these trusts, in the manner following, namely:

(i) The Trustee shall first give notice of the time and place of such sale, in the manner provided by the laws of the State of Nevada for the sale of real property under execution, and may from time to time postpone such sale by such advertisement as it may deem reasonable, or without further advertisement, by proclamation made to the persons assembled at the time and place previously appointed and advertised for such sale (as such time may have been previously postponed): (aa) On the day of sale so advertised, the Trustee may, in its discretion, sell the Property so advertised, or any portion thereof, in one or more lots (and thereafter postpone such sale, in accordance herewith, as to any portion of the Property remaining unsold, if Trustee so elects); and (bb) on any day to which such sale may have been postponed, the Trustee may, in its discretion, sell all or any portion of the Property then remaining unsold, in one or more lots (and thereafter further postpone such sale, in accordance herewith, as to any portion of the Property remaining unsold, if Trustee so elects); all at public auction, at the time and place specified in the notice (as such time may have been postponed), either in the county in which the Property, or any part thereof, to be sold, is situated, or at the principal office of the Trustee, in its discretion, to the highest cash bidder. The Beneficiary, Trustee, obligee, creditor, or the holder or holders of the Note and/or other obligations secured hereby, may bid (including by credit bid) and purchase at such sale. The Beneficiary may, after recording the notice of breach and election, waive or withdraw the same or any proceedings thereunder, and shall thereupon be restored to its former position and have and enjoy the same rights as though such notice had not been recorded.

(ii) The Trustee, upon such sale, shall make (without warranty), execute, and, after due payment made, deliver to purchaser or purchasers, his, her, or their heirs or assigns, a deed or deeds of the premises so sold that shall convey to the purchaser all the title of the Trustor in the trust premises, and shall apply the proceeds of the sale thereof in accordance with the following: (aa) First, to the payment of all reasonable fees, costs, and expenses (including reasonable attorney's fees and expenses) incurred by Beneficiary, its agents or representatives in connection with the realization upon any of the

Property; (bb) next, to the payment in full of any other amounts due under this Deed of Trust and the Note; and (cc) next, the balance, if any, of such payments or proceeds to whomever may be legally entitled thereto. The recital in any such deed, of: (dd) default; (ee) recording notice of breach and election of sale; (ff) the elapsing of the three (3) month period after such recording; (dd) the giving of notice of sale; and (ee) demand by Beneficiary, its heirs or assigns, that such sale should be made; shall be conclusive proof of such default, recording, elapsing of time, and of the due giving of notice and that the sale was regularly and validly made on due and proper demand by Beneficiary, its heirs and assigns; and any such deed or deeds with such recitals therein shall be effectual and conclusive against Trustor or its successors and assigns, and all other persons; and the receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid shall be sufficient discharge to such purchaser from all obligation to see to the proper application of the purchase money, according to the trusts aforesaid.

(e) The rights and remedies of Beneficiary upon the occurrence of one or more Events of Default (whether such rights and remedies are conferred by statute, by rule of law, by this Deed of Trust, or otherwise) may be exercised by Beneficiary, in the sole discretion of Beneficiary, either alternatively, concurrently, or consecutively in any order. The exercise by Beneficiary or Trustee at the express direction of Beneficiary, of any one or more of such rights and remedies shall not be construed to be an election of remedies nor a waiver of any other rights and remedies Beneficiary might have unless, and limited to the extent that, Beneficiary shall so elect or so waive by an instrument in writing delivered to Trustee.

(f) Every right, power, and remedy granted to Trustee or Beneficiary in this Deed of Trust shall be cumulative and not exclusive, and in addition to all rights, powers, and remedies granted at law or in equity or by statute; and each such right, power, and remedy may be exercised from time to time and as often and in such order as may be deemed expedient by Trustee or Beneficiary; and the exercise of any such right, power, or remedy shall not be deemed a waiver of the right to exercise, at the time or thereafter, any other right, power, or remedy.

22. Substitution of Trustee. The Beneficiary or its assigns may, from time to time, appoint another trustee, or trustees, to execute the trust created by this Deed of Trust or other conveyance in trust. Upon the recording of an acknowledged instrument executed by Beneficiary and providing for such appointment, the new trustee or trustees shall be vested with all the title, interest, powers, duties, and trusts in the premises vested in or conferred upon the original trustee. If there be more than one trustee, either may act alone and execute the trusts upon the request of the Beneficiary; and all his acts thereunder shall be deemed to be the acts of all trustees; and the recital in any conveyance executed by such sole



trustee of such request shall be conclusive evidence thereof, and of the authority of such sole trustee to act.

23. Binding Nature. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. It is expressly agreed that the trust created hereby is irrevocable by Trustor. If there is more than one trustor hereunder, the obligations of such trustors hereunder shall be joint and several.

24. Acceptance of Trust; Recognition by Trustee. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law, reserving, however, unto the Trustee, the right to resign from the duties and obligations imposed herein whenever Trustee, in its sole discretion, deems such resignation to be in the best interest of the Trustee. Written notice of such resignation shall be given to Trustor and Beneficiary.

25. Waiver of Certain Rights by Trustor. Trustor waives, to the fullest extent permitted by law: (i) all rights to direct the order in which any of the Property shall be sold in the event of any sale or sales pursuant hereto; and (ii) the rights to have any of the Property or any other property now or hereafter constituting security for the indebtedness secured hereby marshaled upon any foreclosure of this Deed of Trust or of any other security for any such indebtedness.

26. Attorney-in-Fact. Upon the occurrence of an Event of Default as defined in Section 20, Trustor shall be deemed to have appointed and does hereby appoint Beneficiary the attorney-in-fact of Trustor to: (i) prepare, sign, file, and/or record one or more financing statements, any documents of title or registration, or any similar papers; and (ii) take any other action(s) deemed necessary, useful, or desirable by Beneficiary to perfect and preserve the lien and/or security interest of this Deed of Trust against the rights or interests of third persons.

27. Environmental Indemnity.

(a) Trustor agrees to indemnify, protect, defend, and save harmless Beneficiary, as well as its trustees, officers, employees, agents, attorneys, and shareholders (individually, an "Indemnified Party" and collectively, the "Indemnified Parties") from and against any and all losses, damages, expenses, or liabilities, of any kind or nature from any investigations, suits, claims, or demands, including reasonable counsel fees incurred in investigating or defending such claim, suffered by any of them and caused by, relating to, arising out of, resulting from, or in any way connected with: (a) any releases or

discharges of any Hazardous Materials on, under or from the Property which occur after the date of this Deed of Trust; (b) any violation of Environmental Laws (as defined herein) which occur after the date of this Deed of Trust; or (c) any activity carried on or undertaken on or off the Property, during the term of the Note or Deed of Trust and whether by Trustor or any employees, agents, contractors, or subcontractors of Trustor or any third persons occupying or present on the Property after the date of this Deed of Trust, in connection with the handling, treatment, removal, storage, decontamination, clean-up, transport, or disposal of any Hazardous Materials at any time located or present on or under the Property which occur after the date of this Deed of Trust. The foregoing indemnity shall further apply to any contamination on or under the Property, or affecting any natural resources, and to any contamination of any property or natural resources, arising in connection with the generation, use, handling, storage, transport or disposal of any such Hazardous Materials which occurs after the date of this Deed of Trust, irrespective of whether any of such activities are undertaken in accordance with applicable laws, regulations, codes, and ordinances. It is provided, however, that Trustor shall not be obligated to indemnify, protect, defend, or save harmless an Indemnified Party if, and to the extent that, any such loss, damage, expense, or liability was caused by: (i) the gross negligence or intentional misconduct of such Indemnified Party; or (ii) the breach of this Deed of Trust by such Indemnified Party or the breach of any laws, rules, or regulations by such Indemnified Party (other than those breaches arising from any Borrower's default). Trustor hereby acknowledges and agrees that, notwithstanding any other provision of this Deed of Trust, the obligations of Trustor under this Section 27 shall be unlimited obligations of Trustor and shall survive any foreclosure under this Deed of Trust, any transfer in lieu thereof, any reconveyance of this Deed of Trust, and any satisfaction of the obligations that are secured hereby. Trustor and Beneficiary agree that any obligations of Trustor under this Section 27 that may also be obligations of Trustor under a separate Environmental Certificate (if any) shall be deemed to arise solely under this Section 27 and not under the Environmental Certificate. The obligations of Trustor under this Section 27 are separate from and in addition to the obligations to pay the indebtedness evidenced by the Note or the obligations under this Deed of Trust. The liability of Trustor under this Section 27 shall not be limited to or measured by the amount of the indebtedness secured hereby or the value of the Property. Trustor shall be fully liable for all obligations of Trustor under this Section 27 and a separate action may be brought and prosecuted against Trustor under this Section 27. Trustor waives the right to assert any statute of limitations as a bar to the enforcement of this Section 27 or to any action brought to enforce this Section 27. This Section 27 shall not affect, impair or waive any rights or remedies of Beneficiary or any obligations of Trustor with respect to Hazardous Materials created or imposed by Hazardous Materials Laws (including Beneficiary's rights of reimbursement or contribution under Hazardous Materials Laws). The remedies under this Section 27 are cumulative and in addition to all remedies provided by law.



(b) In case any action shall be brought against any Indemnified Party based upon any of the above and in respect to which indemnity may be sought against Trustor, Beneficiary shall promptly notify Trustor in writing; and Trustor shall assume the defense thereof, including the employment of counsel selected by Trustor and reasonably satisfactory to the Indemnified Party, the payment of all costs and expenses, and the right to negotiate and consent to settlement upon the consent of the Indemnified Party. Upon reasonable determination made by an Indemnified Party that such counsel would have a conflict representing such Indemnified Party and Trustor, the applicable Indemnified Party shall have the right to employ, at the expense of Trustor, separate counsel in any such action and to participate in the defense thereof. Trustor shall not be liable for any settlement of any such action effected without its consent; but if settled with Trustor's consent, or if there be a final judgment for the claimant in any such action, Trustor agrees to indemnify, defend, and save harmless such Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

(c) For purposes of this Deed of Trust, the following definitions apply:

“Environmental Law” shall mean any and all state, federal, and local statutes, regulations, and ordinances relating to the protection of human health or the environment including, without limitation, the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.), the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Section 9601 et seq.), the Superfund Amendments and Reauthorization Act of 1986 (Pub. L. No. 99-499), the Toxic Substances Control Act (15 U.S.C. Section 2601, et seq.), the Hazardous Material Transportation Act (49 U.S.C. §1801, et seq.), the Clean Air Act (42 U.S.C. § 7401, et seq.), the Occupational Safety and Health Act (29 U.S.C. § 651, et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001, et seq.), C.R.S. §§ 25-15-101 et seq., C.R.S. §§ 25-5-501 et seq., Chapters 444, 445A, 445B, 459 and 590 of the Nevada Revised Statutes, NRS 477.045, NRS 618.750 through NRS 618.850, the Uniform Fire Code (1988 Edition), the United States Environmental Protection Agency’s rules concerning underground storage tanks, and any and all federal or state rules promulgated from time to time under the above, and any other environmental laws administered by the Environmental Protection Agency or similar laws and regulations of the State of Nevada or any other governmental organization or agency having jurisdiction over the Property or any portion thereof or the business activities of Trustor.

“Hazardous Materials” means all those substances that are defined in NRS 40.504 or are regulated by, or which may form the basis of liability under, any

Environmental Law, including all substances identified under any Environmental Law as a pollutant, contaminant, hazardous waste, hazardous constituent, special waste, hazardous substance, hazardous material, or toxic substance, or petroleum or petroleum derived substance or waste.

28. Governing Law. This Deed of Trust shall, in all respects, be governed by and construed in accordance with the internal laws of the State of Nevada without regard to conflict of law principles.

29. Uniform Commercial Code.

(a) Statutory References. All references in this Deed of Trust to the "Commercial Code" shall be to the "Uniform Commercial Code-Secured Transactions" (NRS 104.9101 et seq.), as it may hereafter be amended or recodified from time to time, provided, however, that if, by reason of mandatory provisions of law, the validity or perfection of any security interest granted herein is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Nevada, then, as to the validity or perfection of such security interest, "Commercial Code" shall mean the Uniform Commercial Code in effect in such other jurisdiction.

(b) Remedies in Respect of Personal Property. Upon the occurrence and during the continuance of an Event of Default, as defined in the Credit Agreement:

(i) Beneficiary may exercise in respect of the Personal Property, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Commercial Code. Beneficiary may also: (aa) require Trustor to, and the Trustor hereby agrees that it will, at its expense and at the request of Beneficiary upon reasonable notice forthwith, assemble all or part of its Personal Property as directed by Beneficiary and make it available to Beneficiary at a place to be designated by Beneficiary that is reasonably convenient to both parties; and (bb) without notice except as specified below, sell the Personal Property or any part thereof in one or more parcels at public or private sale, at any of Beneficiary's offices or elsewhere, for cash, on credit, or for future delivery, and upon such other terms as Beneficiary may deem to be commercially reasonable. Trustor agrees that, to the extent notice of sale shall be required by law, at least ten days' prior notice to the Trustor of the time and place of any public sale or the time after which any private sale is to be made shall constitute



reasonable notification. Beneficiary shall not be obligated to make any sale of Personal Property regardless of notice of sale having been given. Beneficiary may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor; and such sale may, without further notice, be made at the time and place to which it was so adjourned;

(ii) Upon any sale of the Personal Property (whether public or private) by Beneficiary, Beneficiary shall have the right to deliver, assign, and transfer to the purchaser thereof the Personal Property so sold. Each purchaser (including Beneficiary) at any such sale shall hold the Personal Property so sold free from any claim or right of whatever kind, including any equity or right of redemption of the Trustor; and the Trustor, to the extent permitted by law, hereby specifically waives all rights of redemption under the Commercial Code, and any right to a judicial or other stay or approval that it has or may have under any law now existing or hereafter adopted;

(iii) Beneficiary shall have the right and power to institute and maintain such suits and proceedings as it may deem appropriate to protect and enforce the rights vested in it by this Deed of Trust and may proceed by suit or suits at law or in equity to enforce such rights and to foreclose upon and sell the Personal Property or any part thereof pursuant to the judgment or decree of a court of competent jurisdiction;

(iv) To the extent permitted by law and without regard to the solvency or insolvency at the time of any person then liable for the payment of any of the Secured Obligations or the then value of the Personal Property, and without requiring any bond from any party to such proceedings, Beneficiary shall be entitled to request the appointment of a special receiver or receivers (who may be Beneficiary) for the Personal Property or any part thereof and for the rents, issues, tolls, profits, royalties, revenues, and other income therefrom, which receiver shall have such powers as the court making such appointment shall confer, and to request the entry of an order directing that the rents, issues, tolls, profits, royalties, revenues, and other income of the property constituting the whole or any part of the Personal Property be segregated, sequestered, and impounded for the benefit of Beneficiary; and



(v) No remedy conferred upon or reserved to Beneficiary in this Deed of Trust is intended to be exclusive of any other remedy or remedies; but every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or now or hereafter existing at law, in equity or by statute.

30. Other Financing. Except for liens securing the Secured Obligations, Trustor will not create or permit to continue in existence any mortgage, pledge, encumbrance, lien, or charge of any kind (including purchase money and conditional sale liens) on any of the Property except for: (a) liens for taxes not yet delinquent, and (b) any other liens or charges that are specifically approved in writing by Beneficiary prior to their recordation. Any transaction in violation of this section will cause all indebtedness evidenced by the Secured Obligations, irrespectively of the maturity dates, at the option of the holder and without demand or notice, to become due immediately.

IN WITNESS WHEREOF, Trustor has executed this instrument as of the day and year first above written.

TRUSTOR:

BEHRINGER HARVARD LAKE TAHOE, LLC,
a Nevada limited liability company

By: **BEHRINGER HARVARD STRATEGIC OPPORTUNITY FUND I LP,**
a Texas limited partnership
Its Manager

By: **BEHRINGER HARVARD STRATEGIC ADVISORS I LP,**
a Texas limited partnership
Its General Partner

By: **HARVARD PROPERTY TRUST, LLC**
a Delaware limited liability company
Its General Partner

By: 
Gerald J. Reihsen, III
Executive Vice President

STATE OF Texas)
) ss
COUNTY OF DALLAS)

This instrument was acknowledged before me on December 13, 2005, by Gerald J. Reihsen as the Executive Vice President of Harvard Property Trust, LLC, a Delaware limited liability company, in turn the General Partner of Behringer Harvard Strategic Advisors I LP, a Texas limited partnership, in turn the General Partner of Behringer Harvard Strategic Opportunity Fund I LP, a Texas limited partnership, in turn the Manager of Behringer Harvard Lake Tahoe, LLC, a Nevada limited liability company.

Mary E. Hearnberger
Notary Public

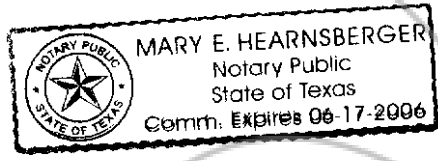


EXHIBIT 'A'

File No.: **141-2237366 (CD)**
Property: **323 Tramway Drive, Stateline, NV 89449**

PARCEL 1:

**Units 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111 and 112
Units 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211 and 212
Units 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311 and 312
Units 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412 and Unit 500, as set forth on the 15th Amended Map for Tahoe Village Unit 1, being a subdivision of Lot 56, filed for record on February 6, 1997 in Book 0297, Page 667 as Document No. 406172, Official Records of Douglas County, State of Nevada.**

Parcel 2:

An undivided 49/49 interest in and to that portion of Lot 56 designated as Common Areas as set forth on the 15th Amended Map for Tahoe Village Unit 1, filed for record on February 6, 1997 in Book 0297, Page 667 as Document No. 406172, Official Records of Douglas County, State of Nevada, subsequently adjusted, Lot 56 being more particularly described as:

All that portion of Lot 56 of Tahoe Village Unit No. 1, 15th Amended Map, filed for record on February 6, 1997 as Document Number 406172, and that portion of the Common Area of Tahoe Village Unit No. 1, Amended Map, filed for record on December 7, 1971, as Document Number 55769, more particularly described as follows:

Beginning at a point which bears South 19°29'45" West 6.25 feet from the Southwest corner of Lot 56 of said Tahoe Village Unit No. 1, 15th Amended Map;

**Thence North 19°40'00" East 126.59 feet;
Thence North 10°20'00" West 126.09 feet;
Thence North 79°40'00" East 36.50 feet;
Thence North 10°20'00" West 8.85 feet;
Thence North 79°40'00" East 25.33 feet;
Thence South 10°20'00" East 8.85 feet;
Thence North 79°40'00" East 48.00 feet;
Thence South 10°20'00" East 105.00 feet;
Thence South 79°40'00" West 5.25 feet;
Thence South 10°20'00" East 49.12 feet;
Thence South 19°40'00" West 105.12 feet;
Thence North 70°20'00" West 16.58 feet;
Thence South 19°40'00" West 49.50 feet;
Thence North 70°20'00" West 36.50 feet;
Thence South 19°40'00" West 6.69 feet;
Thence North 70°20'00" West 25.33 feet;
Thence North 19°40'00" East 6.69 feet;
Thence North 70°20'00" West 26.17 feet to the Point of Beginning.**



Together with a portion of the Common Area of Tahoe Village Unit No. 1 and being more particularly described as follows:

Beginning at an angle point on the East line of Adjusted APN 1319-30-516-037 as shown on the Record of Survey Supporting a Boundary Line Adjustment for Millan Nevada, Inc., Document No. 0568319 of the Douglas County Recorder's Office, said point bears S. 48°38'31" W. 1835.38 feet from the Northeast corner of said Section 30;

Thence S. 19°40'00" W. 43.25 feet;

Thence N. 70°20'00" W. 16.58 feet to point on said East line of Adjusted APN 1319-30-516-037;

Thence N. 19°40'00" E. along said East line, 43.25 feet;

Thence S. 70°20'00" E., continuing along said East line, 16.58 feet to the Point of Beginning.

Parcel 3:

An easement for ingress, egress, use and enjoyment within the Common Areas of Tahoe Village Units No. 1, 2 and 3 as established by the Declaration of Covenants, Conditions and Restrictions recorded July 26, 1989 in Book 0789, Page 3011 as Document No. 207446, Official Records of Douglas County, State of Nevada.

A.P.N. 1319-30-516-040

The Above metes and Bounds description appeared previously in that certain document recorded on 8-30-05 as document No. 651279 of official records.

