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RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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Dallas, Texas 75201
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Douglas County - NV
Werner Christen - Recorder
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**DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES,
SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT**

(This Document Serves as a Fixture Filing under
Nevada Revised Statutes Section 104.9502)

Dated to be effective as of March 2, 2007

made by

BEHRINGER HARVARD LAKE TAHOE, LLC, a Nevada limited liability company
(Grantor)

to

PRLAP, INC., as Trustee,
(Trustee)

for the benefit of

BANK OF AMERICA, N.A., a national banking association,
as Lender
(Beneficiary)

**DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES,
SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT**

Grantor's Organizational Identification Number: E0837712005-5

THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT (this "Deed of Trust") is made to be effective as of the 2nd day of March, 2007, by Grantor, in favor of Trustee for the benefit of Lender.

ARTICLE 1

Definitions; Granting Clauses; Secured Indebtedness

Section 1.1. Principal Secured. This Deed of Trust secures the aggregate principal amount of up to \$9,400,000.00. This instrument secures future advances, as defined in Nevada Revised Statutes (as amended, "NRS") 106.320, and is to be governed by NRS 106.300 to 106.400, inclusive. The maximum principal amount to be secured hereby is \$9,400,000.00.

Section 1.2. Definitions.

(a) In addition to other terms defined herein, each of the following terms shall have the meaning assigned to it, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders:

"Applicable Law" means the Nevada Uniform Common-Interest Ownership Act, Nevada Revised Statutes 116.001 to 116.795, inclusive, as amended from time to time, and Nevada Revised Statutes Chapter 119A, as amended from time to time.

"Association" means the Olympic Summit at Tahoe Health Club Resort Owners Association or any other owners association affecting the Project formed pursuant to Nevada Revised Statutes Chapter 82.

"Common Elements" means all of the Project other than the Units.

"Condominium By-laws" means the By-laws which govern the Master Association and Association, created or to be created pursuant to Applicable Law.

"Condominium Declaration" means the Declaration of TimeShare Covenants, Conditions and Restrictions by Nalm Enterprises I Group for The Olympic Summit at Tahoe Health Club Resort recorded May 8, 1998 in Book 0598 Page 1457 and any other subsequent, amended or modified declaration creating the timeshare or condominium in a form reasonably acceptable to Administrative Agent.

"Condominium Rules and Regulations" means the Rules and Regulations which shall govern the Project, in a form reasonably acceptable to Lender and created pursuant to Applicable Law.



"Condominium Documents" means, collectively, the Condominium Declaration, the Master Declaration, the Condominium Bylaws and the Rules and Regulations of the Association and Master Association, as applicable to the Project.

"Debtor Relief Law" means any federal, state or local law, domestic or foreign, as now or hereafter in effect relating to bankruptcy, insolvency, liquidation, receivership, reorganization, arrangement, composition, extension or adjustment of debts, or any similar law affecting the right of creditors.

"Declarations" means, collectively, the Master Declaration and the Condominium Declaration.

"Environmental Indemnity" means that certain Environmental Indemnity Agreement dated of even date herewith, executed by Grantor, Behringer Harvard Strategic Opportunity Fund I, LP and Behringer Harvard Strategic Opportunity Fund II, LP to and for the benefit of Lender, as the same may be modified, amended, renewed, restated or supplemented from time to time.

"Grantor" means Behringer Harvard Lake Tahoe, LLC, a Nevada limited liability company, whose address is 15601 Dallas Parkway, Suite 600, Addison, Texas 75001, and its permitted successors and assigns.

"Guarantor" means, collectively, Behringer Harvard Strategic Opportunity Fund I, LP, a Delaware limited partnership and Behringer Harvard Strategic Opportunity Fund II, LP, a Delaware limited partnership.

"Guaranty" means, collectively, the Guaranty Agreements executed by Guarantor.

"Interstate Land Sales Act" means the Interstate Land Sales Full Disclosure Act, 15 U.S.C. §1701 et seq., and the rules and regulations promulgated thereunder from time to time.

"Lender" means Bank of America, N.A., a national banking association, whose address is 901 Main Street, 21st Floor, Texas 75202, and its permitted successors and assigns.

"Loan" means the loan evidenced by the Note.

"Map" means that 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.

"Master Association" shall mean the Tahoe Village Homeowners Association, a Nevada non-stock, non-profit cooperative corporation.

"Master Declaration" means the Declaration of Covenants Conditions and Restrictions for Tahoe Village Unit No.1 recorded in the Official Records of Douglas

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County, Nevada on January 11, 1973 in Book 173 at Page 299 as amended by that certain Amendment to Declaration of Covenants, Conditions and Restrictions for Tahoe Village Units 1, 2 and 3 recorded in the Official Records of Douglas County, Nevada on July 2, 1976 in Book 776 at Page 087 and as amended by that certain Declaration of Covenants, Conditions and Restrictions of Tahoe Village Units No. 1, 2 and 3, Douglas County, Nevada recorded in Official Records of Douglas County, Nevada on July 26, 1989 in Book 789 at Page 3011

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the Property, or the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of Grantor and its subsidiaries taken as a whole; or (b) the business or financial ability of Grantor (as defined herein) or Guarantor to fulfill any material obligation under the Loan Documents is materially impaired; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any party to the Loan Documents or any Loan Document to which it is a party.

"Note" means, the Deed of Trust Note issued by Grantor in the principal amount of up to \$9,400,000.00, bearing interest as therein provided, containing a provision for, among other things, the payment of attorneys' fees, and (b) all other notes given in substitution thereof or in modification, supplement, increase, renewal or extension thereof, in whole or in part, whether in whole or in part or one or more, as any or all of such notes may from time to time be renewed, extended, supplemented, increased or modified, each bearing interest as provided in the Note. Additionally, the Note provides that the principal balance of the Loan shall bear interest at a floating rate of interest subject to change from time to time.

"Project" shall have the meaning given such term in the Condominium Declaration.

"Trustee" means PRLAP, Inc., 901 Main Street, Dallas, Texas 75202-3714, or any successor or substitute appointed and designated as herein provided from time to time acting hereunder, any one of whom may act alone.

"UCC" means the Nevada Uniform Commercial Code, as amended from time to time.

"Unit" means a timeshare "unit" created by the Condominium Declaration and to be situated within the Improvements as further identified on the Map.

(b) Any term used or defined in the UCC, as in effect from time to time, and not defined in this Deed of Trust has the meaning given to the term in the UCC, as in effect from time to time, when used in this Deed of Trust. However, if a term is defined in Chapter 104 of the UCC differently than in another chapter of the UCC, the term has the meaning specified in said Chapter 104.

Section 1.3. Granting Clause. In consideration of the provisions of this Deed of Trust and the sum of TEN DOLLARS (\$10.00) cash in hand paid and other good and valuable DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT - Page 3



consideration the receipt and sufficiency of which are acknowledged by the Grantor, Grantor hereby GRANTS, BARGAINS, SELLS, CONVEYS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, FOR THE BENEFIT OF LENDER, WITH POWER OF SALE, all of Grantor's right, title and interest in and to the following: (a) the real property described in Exhibit A which is attached hereto and incorporated herein by reference (the "Land") together with: (i) any and all buildings, structures, improvements, alterations or appurtenances now or hereafter situated or to be situated on the Land (collectively the "Improvements"); (ii) any and all Units and Common Elements, together with all rights and appurtenances to such Units and Common Elements, if any, established by the Declarations; (iii) any and all rights (but not the obligations or liabilities) of Grantor arising by virtue of the Declarations, whether as an Owner or Declarant (as such terms are defined in the Declarations, as applicable), including the right to vote; (iv) all rights, estates, powers, privileges and interests of whatever kind or character appurtenant or incident to the foregoing; and (v) all right, title and interest of Grantor, now owned or hereafter acquired, in and to (1) all common area and other use rights, tenements, hereditaments, streets, roads, alleys, easements, rights-of-way, licenses, rights of ingress and egress, vehicle parking rights and public places, existing or proposed, abutting, adjacent, used in connection with or pertaining or appurtenant to any of the Land or the Improvements; (2) any strips or gores between the Land and abutting or adjacent properties; and (3) all options to purchase the Land or the Improvements or any portion thereof or interest therein, and any greater estate in the Land or the Improvements; and (4) all water and water rights or shares of stock evidencing water rights, timber, crops and mineral interests on or pertaining the Land (the Land, Improvements and other rights, titles and interests referred to in this clause (a) being herein sometimes collectively called the "Premises"); (b) all fixtures, equipment, systems, machinery, furniture, furnishings, appliances, inventory, goods, building and construction materials, supplies, and articles of personal property, of every kind and character, tangible and intangible (including software embedded therein), now owned or hereafter acquired by Grantor, which are now or hereafter attached to or situated in, on or about the Land or the Improvements, or used in or necessary to the complete and proper planning, development, use, occupancy or operation thereof, or acquired (whether delivered to the Land or stored elsewhere) for use or installation in or on the Land or the Improvements, and all renewals and replacements of, substitutions for and additions to the foregoing (the properties referred to in this clause (b) being herein sometimes collectively called the "Accessories," all of which are hereby declared to be permanent accessions to the Land); (c) all (i) plans and specifications for the Improvements; (ii) Grantor's rights, but not liability for any breach by Grantor, under all commitments (including any commitments for financing to pay any of the Secured Indebtedness, as defined below), insurance policies (or additional or supplemental coverage related thereto, including from an insurance provider meeting the requirements of the Loan Documents or from or through any state or federal government sponsored program or entity), contracts and agreements for the design, construction, operation or inspection of the Improvements and other contracts and general intangibles (including but not limited to payment intangibles, trademarks, trade names, goodwill, software and symbols) related to the Premises or the Accessories or the operation thereof; (iii) deposits and deposit accounts arising from or related to any transactions related to the Premises or the Accessories (including but not limited to Grantor's rights in tenants' security deposits, deposits with respect to utility services to the Premises, and any deposits, deposit accounts or reserves hereunder or under any other Loan Documents (hereinafter defined) for taxes, insurance or otherwise), rebates or refunds of impact fees or other taxes, assessments or charges, money,

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accounts (including deposit accounts), instruments, documents, promissory notes and chattel paper (whether tangible or electronic) arising from or by virtue of any transactions related to the Premises or the Accessories, and any account or deposit account from which Grantor may from time to time authorize Lender to debit and/or credit payments due with respect to the Loan; (iv) permits, licenses, franchises, certificates, development rights, commitments and rights for utilities, and other rights and privileges obtained in connection with the Premises or the Accessories; (v) leases, rents, royalties, bonuses, issues, profits, revenues and other benefits of the Premises and the Accessories (without derogation of Article 3 hereof); (vi) as-extracted collateral produced from or allocated to the Land including, without limitation, oil, gas and other hydrocarbons and other minerals and all products processed or obtained therefrom, and the proceeds thereof; and (vii) engineering, accounting, title, legal, and other technical or business data concerning the Property which are in the possession of Grantor or in which Grantor can otherwise grant a security interest; and (d) all (i) accounts and proceeds (cash or non-cash and including payment intangibles) of or arising from the properties, rights, titles and interests referred to above in this Section 1.3, including but not limited to proceeds of any sale, lease or other disposition thereof, proceeds of each policy of insurance (or additional or supplemental coverage related thereto, including from an insurance provider meeting the requirements of the Loan Documents or from or through any state or federal government sponsored program or entity) relating thereto (including premium refunds), proceeds of the taking thereof or of any rights appurtenant thereto, including change of grade of streets, curb cuts or other rights of access, by condemnation, eminent domain or transfer in lieu thereof for public or quasi-public use under any law, and proceeds arising out of any damage thereto; (ii) all letter-of-credit rights (whether or not the letter of credit is evidenced by a writing) Grantor now has or hereafter acquires relating to the properties, rights, titles and interests referred to in this Section 1.3; (iii) all commercial tort claims Grantor now has or hereafter acquires relating to the properties, rights, titles and interests referred to in this Section 1.3; and (iv) other interests of every kind and character which Grantor now has or hereafter acquires in, to or for the benefit of the properties, rights, titles and interests referred to above in this Section 1.3 and all property used or useful in connection therewith, including but not limited to rights of ingress and egress and remainders, reversions and reversionary rights or interests; and if the estate of Grantor in any of the property referred to above in this Section 1.3 is a leasehold estate, this conveyance shall include, and the lien and security interest created hereby shall encumber and extend to, all other or additional title, estates, interests or rights which are now owned or may hereafter be acquired by Grantor in or to the property demised under the lease creating the leasehold estate;

TO HAVE AND TO HOLD the foregoing rights, interests and properties, and all rights, estates, powers and privileges appurtenant thereto (herein collectively called the "Property"), unto Trustee, and his or their successors or substitutes in this trust, and to its successors and assigns, in trust, in fee simple forever, for the benefit of Lender, subject to the terms, provisions and conditions herein set forth, to secure the obligations of Grantor under the Note and Loan Documents (as hereinafter defined) and all other indebtedness and matters defined as "Secured Indebtedness" (as hereinafter defined).

Section 1.4. Security Interest. Grantor hereby grant to Lender a security interest in all of the Property which constitutes personal property or fixtures, all proceeds and products thereof, and all supporting obligations ancillary to or arising in any way in connection therewith (herein DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT - Page 5

sometimes collectively called the "Collateral") to secure the obligations of Grantor under the Note and Loan Documents and all other indebtedness and matters defined as Secured Indebtedness in Section 1.5 of this Deed of Trust. In addition to its rights hereunder or otherwise, Lender shall have all of the rights of a secured party under the UCC, as in effect from time to time, or under the Uniform Commercial Code in force, from time to time, in any other state to the extent the same is applicable law.

Section 1.5. Secured Indebtedness, Note, Loan Documents, Other Obligations. This Deed of Trust is made to secure and enforce the payment and performance of the following promissory notes, obligations, indebtedness, duties and liabilities and all renewals, extensions, supplements, increases, and modifications thereof in whole or in part from time to time (collectively the "Secured Indebtedness"): (a) the Note; (b) all indebtedness, liabilities, duties, covenants, promises and other obligations whether joint or several, direct or indirect, fixed or contingent, liquidated or unliquidated, and the cost of collection of all such amounts, owed by Grantor to Lender now or hereafter incurred or arising pursuant to or permitted by the provisions of the Note, this Deed of Trust, or any other document now or hereafter evidencing, governing, guaranteeing, securing or otherwise executed in connection with the Loan, including but not limited to any loan or credit agreement, letter of credit or reimbursement agreement, tri-party financing agreement, or other agreement between Grantor and Lender, or among Grantor, Lender and any other party or parties, pertaining to the repayment or use of the proceeds of the Loan (the Note, this Deed of Trust, as they or any of them may have been or may be from time to time renewed, extended, supplemented, increased or modified, being herein sometimes collectively called the "Loan Documents", provided, however, the Environmental Indemnity is not a Loan Document).

ARTICLE 2

Representations, Warranties and Covenants

Section 2.1. Grantor represents, warrants, and covenants as follows:

(a) Payment and Performance. Grantor will make due and punctual payment of the Secured Indebtedness. Grantor will timely and properly perform and comply with all of the covenants, agreements, and conditions imposed upon it by this Deed of Trust and the other Loan Documents and will not permit a default to occur hereunder or thereunder. Time shall be of the essence in this Deed of Trust.

(b) Title and Permitted Encumbrances. Grantor has, in Grantor's own right, and Grantor covenants to maintain, lawful, good and marketable title to the Property, is lawfully seized and possessed of the Property and every part thereof, and has the right to convey the same, free and clear of all liens, charges, claims, security interests, and encumbrances except for (i) the matters, if any, set forth on Schedule B-1 of the mortgagee policy of title insurance issued to Lender and insuring the lien of this Deed of Trust, (ii) the liens and security interests evidenced by this Deed of Trust, (iii) statutory liens for real estate taxes and assessments on the Property which are not yet delinquent, and (iv) other liens and security interests (if any) in favor of Lender (the matters described in the foregoing clauses (i), (ii), (iii), and (iv) being herein called the "Permitted Encumbrances"). Grantor, and Grantor's successors and assigns, will

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warrant generally and forever defend title to the Property, subject as aforesaid, to Trustee and their successors or substitutes and assigns, against the claims and demands of all persons claiming or to claim the same or any part thereof. Grantor will punctually pay, perform, observe and keep all covenants, obligations and conditions in or pursuant to any Permitted Encumbrance and will not modify or permit modification of any Permitted Encumbrance without the prior written consent of Lender (which consent shall not be unreasonably withheld or delayed). Inclusion of any matter as a Permitted Encumbrance does not constitute approval or waiver by Lender of any existing or future violation or other breach thereof by Grantor, by the Property or otherwise. If any right or interest of Lender in the Property or any part thereof shall be endangered or questioned or shall be attacked directly or indirectly, Lender and Trustee, or either of them (whether or not named as parties to legal proceedings with respect thereto), are hereby authorized and empowered to take such steps as in its commercially reasonable discretion may be proper for the defense of any such legal proceedings or the protection of such right or interest of Lender, including but not limited to the employment of independent counsel, the prosecution or defense of litigation, and the compromise or discharge of adverse claims. All expenditures so made of every kind and character shall be a demand obligation (which obligation Grantor hereby promises to pay owing by Grantor to Lender or Trustee (as the case may be), and the party (Lender or Trustee, as the case may be) making such expenditures shall be subrogated to all rights of the person receiving such payment.

(c) Taxes and Other Impositions. Grantor will pay, or cause to be paid, all taxes, assessments and other charges or levies imposed upon or against or with respect to the Property or the ownership, use, occupancy or enjoyment of any portion thereof, or any utility service thereto, prior to delinquency, including but not limited to all (i) real estate taxes assessed against the Property or any part thereof, and shall deliver promptly to Lender, such evidence of the payment thereof as Lender may require.

(d) Insurance; Use of Insurance Proceeds. Grantor shall obtain and maintain at Grantor's sole expense: (1) mortgagee title insurance issued to Lender covering the Premises as required by Lender without exception for mechanics' liens; (2) property insurance with respect to all insurable Property, against loss or damage by fire, lightning, windstorm, explosion, hail, tornado and such additional hazards as are presently included in Special Form (also known as "all-risk") coverage and against any and all acts of terrorism and such other insurable hazards as Lender may require, in an amount not less than 100% of the full replacement cost, including the cost of debris removal, without deduction for depreciation and sufficient to prevent Grantor and Lender from becoming a coinsurer, such insurance to be in "builder's risk" completed value (non-reporting) form during and with respect to any construction on the Premises; (3) if and to the extent any portion of the Improvements is, under the Flood Disaster Protection Act of 1973 ("FDPA"), as it may be amended from time to time, in a Special Flood Hazard Area, within a Flood Zone designated A or V in a participating community, a flood insurance policy in an amount required by Lender, but in no event less than the amount sufficient to meet the requirements of applicable law and the FDPA, as such requirements may from time to time be in effect; (4) general liability insurance, on an "occurrence" basis against claims for "personal injury" liability, including bodily injury, death or property damage liability, for the benefit of Grantor as named insured and Lender as additional insured; (5) statutory workers' compensation insurance with respect to any work on or about the Premises (including employer's liability

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insurance, if required by Lender), covering all employees of Grantor and any contractor; (6) if there is a general contractor, commercial general liability insurance, including products and completed operations coverage, and in other respects similar to that described in clause (4) above, for the benefit of the general contractor as named insured and Grantor and Lender as additional insureds, in addition to statutory workers' compensation insurance with respect to any work on or about the Premises (including employer's liability insurance, if required by Lender), covering all employees of the general contractor and any contractor; and (7) such other insurance on the Property and endorsements as may from time to time be required by Lender (including but not limited to soft cost coverage, automobile liability insurance, business interruption insurance or delayed rental insurance, boiler and machinery insurance, earthquake insurance, wind insurance, sinkhole coverage, and/or permit to occupy endorsement)) and against other insurable hazards or casualties which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the height, type, construction, location, use and occupancy of buildings and improvements. All insurance policies shall be issued and maintained by insurers, in amounts, with deductibles, limits and retentions, and in forms satisfactory to Lender, and shall require not less than ten (10) days' prior written notice to Lender of any cancellation for nonpayment of premiums, and not less than thirty (30) days' prior written notice to Lender of any other cancellation or any change of coverage. All insurance companies must be licensed to do business in the state in which the Property is located and must have an A. M. Best Company financial and performance ratings of A-:IX or better. All insurance policies maintained, or caused to be maintained, by Grantor with respect to the Property, except for general liability insurance, shall provide that each such policy shall be primary without right of contribution from any other insurance that may be carried by Grantor or Lender and that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. If any insurer which has issued a policy of title, hazard, liability or other insurance required pursuant to this Deed of Trust or any other Loan Document becomes insolvent or the subject of any petition, case, proceeding or other action pursuant to any Debtor Relief Law, or if in Lender's reasonable opinion the financial responsibility of such insurer is or becomes inadequate, Grantor shall, in each instance promptly upon its discovery thereof or upon the request of Lender therefor, and at Grantor's expense, promptly obtain and deliver to Lender a like policy (or, if and to the extent permitted by Lender, acceptable evidence of insurance) issued by another insurer, which insurer and policy meet the requirements of this Deed of Trust or such other Loan Document, as the case may be. Without limiting the discretion of Lender with respect to required endorsements to insurance policies, all such policies for loss of or damage to the Property shall contain a standard mortgagee clause (without contribution) naming Lender as mortgagee with loss proceeds payable to Lender notwithstanding (i) any act, failure to act or negligence of or violation of any warranty, declaration or condition contained in any such policy by any named or additional insured; (ii) the occupation or use of the Property for purposes more hazardous than permitted by the terms of any such policy; (iii) any foreclosure or other action by Lender under the Loan Documents; or (iv) any change in title to or ownership of the Property or any portion thereof, such proceeds to be held for application as provided in the Loan Documents. The originals of each initial insurance policy (or to the extent permitted by Lender, a copy of the original policy and such evidence of insurance acceptable to Lender) shall be delivered to Lender at the time of execution of this Deed of Trust, with all premiums fully paid current, and each renewal or substitute policy (or evidence of insurance) shall be delivered to Lender, with all premiums fully paid current, at

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least ten (10) days before the termination of the policy it renews or replaces. Grantor shall pay all premiums on policies required hereunder as they become due and payable and promptly deliver to Lender evidence satisfactory to Lender of the timely payment thereof. If any loss occurs at any time when Grantor has failed to perform Grantor's covenants and agreements in this paragraph with respect to any insurance payable because of loss sustained to any part of the Property, whether or not such insurance is required by Lender, Lender shall nevertheless be entitled to the benefit of all insurance covering the loss and held by or for Grantor, to the same extent as if it had been made payable to Lender. Upon any foreclosure hereof or transfer of title to the Property in extinguishment of the whole or any part of the Secured Indebtedness, all of Grantor's right, title and interest in and to the insurance policies referred to in this Section (including unearned premiums) and all proceeds payable thereunder shall thereupon vest in the purchaser at foreclosure or other such transferee, to the extent permissible under such policies. Lender shall have the right (but not the obligation) to make proof of loss for, settle and adjust any claim under, and receive the proceeds of, all insurance for loss of or damage to the Property regardless of whether or not such insurance policies are required by Lender, and the expenses incurred by Lender in the adjustment and collection of insurance proceeds shall be a part of the Secured Indebtedness and shall be due and payable to Lender on demand. Lender shall not be, under any circumstances, liable or responsible for failure to collect or exercise diligence in the collection of any of such proceeds or for the obtaining, maintaining or adequacy of any insurance or for failure to see to the proper application of any amount paid over to Grantor. Any such proceeds received by Lender shall, after deduction therefrom of all reasonable expenses actually incurred by Lender, including attorneys' fees, be applied to the payment of the Secured Indebtedness in such order and manner as Lender, in its sole discretion, may elect, whether or not due. In any event, the unpaid portion of the Secured Indebtedness shall remain in full force and effect and the payment thereof shall not be excused. Grantor shall at all times comply with the requirements of the insurance policies required hereunder and of the issuers of such policies and of any board of fire underwriters or similar body as applicable to or affecting the Property.

(e) Reserve for Insurance, Taxes and Assessments. Upon the occurrence of an Event of Default, to secure the payment and performance of the Secured Indebtedness, but not in lieu of such payment and performance, Grantor will deposit with Lender a sum equal to real estate taxes, assessments and charges (which charges for the purposes of this paragraph shall include without limitation any recurring charge which could result in a lien against the Property) against the Property for the current year and the premiums for such policies of insurance for the current year, all as estimated by Lender and prorated to the end of the calendar month following the month during which Lender's request is made, and thereafter will deposit with Lender, on each date when an installment of principal and/or interest is due on the Loan, sufficient funds (as estimated from time to time by Lender) to permit Lender to pay at least fifteen (15) days prior to the due date thereof, the next maturing real estate taxes, assessments and charges and premiums for such policies of insurance. Lender shall have the right to rely upon tax information furnished by applicable taxing authorities in the payment of such taxes or assessments and shall have no obligation to make any protest of any such taxes or assessments. To the extent permitted by law, any excess over the amounts required for such purposes shall be held by Lender for future use, applied to any Secured Indebtedness or refunded to Grantor, at Lender's option, and any deficiency in such funds so deposited shall be made up by Grantor upon demand of Lender. All such funds so deposited shall bear no interest, may be commingled with the general funds of DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT - Page 9

Lender and shall be applied by Lender toward the payment of such taxes, assessments, charges and premiums when statements therefor are presented to Lender by Grantor (which statements shall be presented by Grantor to Lender a reasonable time before the applicable amount is due); provided, however, that, if an Event of Default shall have occurred hereunder, such funds may at Lender's option be applied to the payment of the Secured Indebtedness in the order determined by Lender in its sole discretion, and that Lender may (but shall have no obligation) at any time, in its discretion, apply all or any part of such funds toward the payment of any such taxes, assessments, charges or premiums which are past due, together with any penalties or late charges with respect thereto. The conveyance or transfer of Grantor's interest in the Property for any reason (including without limitation the foreclosure of a subordinate lien or security interest or a transfer by operation of law) shall constitute an assignment or transfer of Grantor's interest in and rights to such funds held by Lender under this paragraph but subject to the rights of Lender hereunder.

(f) Condemnation. Grantor shall notify Lender promptly of any threatened or pending proceeding for condemnation affecting the Property or arising out of damage to the Property, and Grantor shall, at Grantor's expense, diligently prosecute any such proceedings. Lender shall have the right (but not the obligation) to participate in any such proceeding and to be represented by counsel of its own choice. Lender shall be entitled to receive all sums which may be awarded or become payable to Grantor for the condemnation of the Property or any part thereof, for public or quasi-public use, or by virtue of private sale in lieu thereof, and any sums which may be awarded or become payable to Grantor for injury or damage to the Property. To the extent permitted by applicable law and except as otherwise expressly provided herein, Grantor hereby specifically, unconditionally and irrevocably waives all rights of a property owner granted under applicable law which provide for allocation of condemnation proceeds between a property owner and a lien Lender, including the provisions of NRS 37.115. Grantor shall, promptly upon request of Lender, execute such additional assignments and other documents as may be necessary from time to time to permit such participation and to enable Lender to collect and receipt for any such sums. All such sums are hereby assigned to Lender, and shall, after deduction therefrom of all reasonable expenses actually incurred by Lender, including attorneys' fees, be applied to the payment of the Secured Indebtedness in such order and manner as Lender, in its sole discretion, may elect, whether or not due. In any event the unpaid portion of the Secured Indebtedness shall remain in full force and effect and the payment thereof shall not be excused. Lender shall not be, under any circumstances, liable or responsible for failure to collect or to exercise diligence in the collection of any such sum or for failure to see to the proper application of any amount paid over to Grantor. Lender is hereby authorized, in the name of Grantor, to execute and deliver valid acquittances for, and to appeal from, any such award, judgment or decree. All costs and expenses (including but not limited to attorneys' fees) incurred by Lender in connection with any condemnation shall be a demand obligation owing by Grantor (which Grantor hereby promises to pay) to Lender pursuant to this Deed of Trust.

(g) Compliance with Legal Requirements. The Property and the ownership and use thereof and all activities thereon shall at all times comply with applicable Legal Requirements (hereinafter defined). The Property is not, and shall not be, dependent on any other property or premises or any interest therein other than the Property to fulfill any requirement of any Legal Requirement. Grantor shall not, by act or omission, permit any building or other improvement

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not subject to the lien of this Deed of Trust to rely on the Property or any interest therein to fulfill any requirement of any Legal Requirement. Grantor will not use or occupy or conduct any activity on, or allow the use or occupancy of or the conduct of any activity on, the Property in any manner which violates any Legal Requirement or which constitutes a public or private nuisance. If Grantor receives a notice or claim from any person that the Property, or any use, activity, operation or maintenance thereof or thereon, is not in compliance with any Legal Requirement, Grantor will promptly furnish a copy of such notice or claim to Lender. Grantor has received no notice and has no knowledge of any such noncompliance. As used in this Deed of Trust: (i) the term "Legal Requirement" means any Law (hereinafter defined), agreement, covenant, restriction, easement or condition (including, without limitation of the foregoing, any condition or requirement imposed by any insurance or surety company), as any of the same now exists or may be changed or amended or come into effect in the future; and (ii) the term "Law" means any federal, state or local law, statute, ordinance, code, rule, regulation, license, permit, authorization, decision, order, injunction or decree, domestic or foreign.

(h) Reserved.

(i) No Other Liens. Grantor will not, without the prior written consent of Lender, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual, security interest, encumbrance or charge, or conditional sale or other title retention document, against or covering the Property, or any part thereof, other than the Permitted Encumbrances, regardless of whether the same are expressly or otherwise subordinate to the lien or security interest created in this Deed of Trust, and should any of the foregoing become attached hereafter in any manner to any part of the Property without the prior written consent of Lender, Grantor will cause the same to be promptly discharged and released. Grantor will own all parts of the Property and will not acquire any fixtures, equipment or other property (including software embedded therein) forming a part of the Property pursuant to a lease, license, security agreement or similar agreement, whereby any party has or may obtain the right to repossess or remove same, without the prior written consent of Lender. If Lender consents to the voluntary grant by Grantor of any deed of trust or mortgage, lien, security interest, or other encumbrance (hereinafter called "Subordinate Lien") covering any of the Property or if the foregoing prohibition is determined by a court of competent jurisdiction to be unenforceable as to a Subordinate Lien, any such Subordinate Lien shall contain express covenants to the effect that: (1) the Subordinate Lien is unconditionally subordinate to this Deed of Trust and all Leases (hereinafter defined); (2) if any action (whether judicial or pursuant to a power of sale) shall be instituted to foreclose or otherwise enforce the Subordinate Lien, no tenant of any of the Leases (hereinafter defined) shall be named as a party defendant, and no action shall be taken that would terminate any occupancy or tenancy without the prior written consent of Lender; (3) Rents (hereinafter defined), if collected by or for the Lender of the Subordinate Lien, shall be applied first to the payment of the Secured Indebtedness then due and expenses incurred in the ownership, operation and maintenance of the Property in such order as Lender may determine, prior to being applied to any indebtedness secured by the Subordinate Lien; (4) written notice of default under the Subordinate Lien and written notice of the commencement of any action (whether judicial or pursuant to a power of sale) to foreclose or otherwise enforce the Subordinate Lien or to seek the appointment of a receiver for all or any

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part of the Property shall be given to Lender with or promptly after the occurrence of any such default or commencement; and (5) neither the holder of the Subordinate Lien, nor any purchaser at foreclosure thereunder, nor anyone claiming by, through or under any of them shall succeed to any of Grantor's rights hereunder without the prior written consent of Lender.

(j) Property Rights. Grantor will not initiate or permit any zoning reclassification of the Property without the consent of Lender (which consent shall not be unreasonably withheld or delayed). Grantor will not impose any easement, restrictive covenant or encumbrance upon the Property, execute or file any subdivision plat or condominium declaration affecting the Property or consent to the annexation of the Property to any municipality, without the prior written consent of Lender (which consent shall not be unreasonably withheld or delayed). Grantor will not do or suffer to be done any act whereby the value of any part of the Property may be lessened. Grantor will preserve, protect, renew, extend and retain all material rights and privileges granted for or applicable to the Property. Without the prior written consent of Lender (which consent shall not be unreasonably withheld or delayed), there shall be no drilling or exploration for or extraction, removal or production of any mineral, hydrocarbon, gas, natural element, compound or substance (including sand and gravel) from the surface or subsurface of the Land regardless of the depth thereof or the method of mining or extraction thereof.

(k) Financial Matters. Grantor is solvent after giving effect to all borrowings contemplated by the Loan Documents and no proceeding under any Debtor Relief Law (hereinafter defined) is pending (or, to Grantor's knowledge, threatened) by or against Grantor, or any affiliate of Grantor, as a debtor. All reports, statements, plans, budgets, applications, agreements and other data and information heretofore furnished or hereafter to be furnished by or on behalf of Grantor to Lender in connection with the loan or loans evidenced by the Loan Documents (including, without limitation, all financial statements and financial information) are and will be true, correct and complete in all material respects as of their respective dates and do not and will not omit to state any fact or circumstance necessary to make the statements contained therein not misleading. No material adverse change has occurred since the dates of such reports, statements and other data in the financial condition of Grantor or, to Grantor's knowledge, of any tenant under any lease described therein. For the purposes of this paragraph, "Grantor" shall also include any affiliate of Grantor, Guarantor, any affiliate of Guarantor and each of their respective successors and assigns liable directly or indirectly for the Secured Indebtedness or any part thereof and any joint venturer or general partner of Grantor.

(l) Status of Grantor; Suits and Claims; Loan Documents. Grantor is and will continue to be (i) duly organized, validly existing and in good standing under the laws of its state of organization, (ii) authorized to do business in, and in good standing in, the State of Nevada, and (iii) possessed of all requisite power and authority to carry on its business and to own and operate the Property. Each Loan Document executed by Grantor has been duly authorized, executed and delivered by Grantor, and the obligations thereunder and the performance thereof by Grantor in accordance with their terms are and will continue to be within Grantor's power and authority (without the necessity of joinder or consent of any other person), are not and will not be in contravention of any Legal Requirement or any other document or agreement to which Grantor or the Property is subject, and do not and will not result in the creation of any encumbrance against any assets or properties of Grantor, or any affiliate of Grantor, Guarantor,

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any affiliate of Guarantor and each of their respective successors and assigns liable, directly or indirectly, for any of the Secured Indebtedness, except as expressly contemplated by the Loan Documents. There is no suit, action, claim, investigation, inquiry, proceeding or demand pending (or, to Grantor's knowledge, threatened) against Grantor or against any affiliate of Grantor, Guarantor, any affiliate of Guarantor and each of their respective successors and assigns liable directly or indirectly for the Secured Indebtedness or which affects the Property (including, without limitation, any which challenges or otherwise pertains to Grantor's title to the Property) or the validity, enforceability or priority of any of the Loan Documents. There is no judicial or administrative action, suit or proceeding pending (or, to Grantor's knowledge, threatened) against Grantor, or any affiliate of Grantor, Guarantor, any affiliate of Guarantor and each of their respective successors and assigns liable directly or indirectly for the Secured Indebtedness, except as has been disclosed in writing to Lender in connection with the loan evidenced by the Note. The Loan Documents, to which Grantor is a party, constitute legal, valid and binding obligations of Grantor enforceable in accordance with their terms, except as the enforceability thereof may be limited by Debtor Relief Laws and except as the availability of certain remedies may be limited by general principles of equity. Grantor is not a "foreign person" within the meaning of the Internal Revenue Code of 1986, as amended, Sections 1445 and 7701 (i.e. Grantor is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined therein and in any regulations promulgated thereunder). The Loan is solely for business and/or investment purposes, and is not intended for personal, family, household or agricultural purposes. Grantor further warrants that the proceeds of the Loan shall be used for commercial purposes and stipulates that the Loan shall be construed for all purposes as a commercial loan. Grantor's exact legal name is correctly set forth at the end of this Deed of Trust. Grantor will not cause or permit any change to be made in its name, identity, (including its trade name or names), or organizational structure, unless Grantor shall have notified Lender in writing of such change at least 30 days prior to the effective date of such change, and shall have first taken all action required by Lender for the purpose of further perfecting or protecting the lien and security interest of Lender in the Property. In addition, Grantor shall not change its organizational structure without first obtaining the prior written consent of Lender. Grantor's principal place of business and chief executive office, and the place where Grantor keeps its books and records, including recorded data of any kind or nature, regardless of the medium of recording including, without limitation, software, writings, plans, specifications and schematics concerning the Property, has for the preceding four months (or, if less, the entire period of the existence of Grantor) been and will continue to be (unless Grantor notifies Lender of any change in writing at least 30 days prior to the date of such change) the address of Grantor set forth in Section 1.2 herein. Grantor's organizational identification number, if any, assigned by the state of incorporation or organization is correctly set forth on the first page of this Deed of Trust. Grantor shall promptly notify Lender (i) of any change of its organizational identification number, or (ii) if Grantor does not now have an organization identification number and later obtains one, of such organizational identification number.

(m) Further Assurances. Grantor will, within a reasonable period of time following request of Lender, (i) correct any defect, error or omission which may be discovered in the contents, execution or acknowledgment of this Deed of Trust or any other Loan Document; (ii) execute, acknowledge, deliver, procure and record and/or file such further documents (including, without limitation, further deeds of trust, security agreements, and assignments of rents or leases)

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and do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of this Deed of Trust, to more fully identify and subject to the liens and security interests hereof any property intended to be covered hereby (including specifically, but without limitation, any renewals, additions, substitutions, replacements, or appurtenances to the Property) or as deemed advisable by Lender in its commercially reasonable judgment to protect the lien or the security interest hereunder against the rights or interests of third persons; and (iii) provide such certificates, documents, reports, information, affidavits and other instruments and do such further acts as may be necessary, desirable or proper in the reasonable determination of Lender to enable Lender to comply with the requirements or requests of any agency having jurisdiction over Lender or any examiners of such agencies with respect to the indebtedness secured hereby, Grantor or the Property. Grantor shall pay all costs connected with any of the foregoing, which shall be a demand obligation owing by Grantor (which Grantor hereby promises to pay) to Lender pursuant to this Deed of Trust.

(n) Fees and Expenses. Without limitation of any other provision of this Deed of Trust or of any other Loan Document and to the extent not prohibited by applicable law, Grantor will pay, and will reimburse to Lender and/or Trustee on demand to the extent paid by Lender and/or Trustee: (i) all reasonable appraisal fees, filing, registration and recording fees, recordation, transfer and other taxes, brokerage fees and commissions, abstract fees, title search or examination fees, title policy and endorsement premiums and fees, uniform commercial code search fees, judgment and tax lien search fees, escrow fees, attorneys' fees, architect fees, engineer fees, construction consultant fees, environmental inspection fees, survey fees, and all other costs and expenses of every character incurred by Grantor or Lender and/or Trustee in connection with the preparation of the Loan Documents, the evaluation, closing and funding of the Loan, and any and all amendments and supplements to this Deed of Trust, the Note, or any other Loan Documents or any approval, consent, waiver, release or other matter requested or required hereunder or thereunder, or otherwise attributable or chargeable to Grantor as owner of the Property; and (ii) all costs and expenses, including attorneys' fees and expenses, incurred or expended in connection with the exercise of any right or remedy, or the defense of any right or remedy or the enforcement of any obligation of Grantor, hereunder or under any other Loan Document.

(o) Indemnification.

(i) Grantor will indemnify and hold harmless Lender and Trustee from and against, and reimburse it on demand for, any and all Indemnified Matters (hereinafter defined). For purposes of this subparagraph (i), the term "Lender" and "Trustee" shall include Lender, and Trustee, and any persons owned or controlled by, owning or controlling, or under common control or affiliated with Lender or Trustee respectively and the directors, officers, partners, employees, attorneys, agents and representatives of each of them. **WITHOUT LIMITATION, THE FOREGOING INDEMNITIES SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO MATTERS WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF, OR ARE CLAIMED TO BE CAUSED BY OR ARISE OUT OF, THE NEGLIGENCE (WHETHER SOLE, COMPARATIVE OR CONTRIBUTORY) OR STRICT LIABILITY OF SUCH (AND/OR ANY OTHER) INDEMNIFIED PERSON. HOWEVER, SUCH INDEMNITIES SHALL NOT APPLY**

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TO A PARTICULAR INDEMNIFIED PERSON TO THE EXTENT THAT THE SUBJECT OF THE INDEMNIFICATION IS CAUSED BY OR ARISES OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNIFIED PERSON. Any amount to be paid under this paragraph (o) by Grantor to Lender and/or Trustee shall be a demand obligation owing by Grantor (which Grantor hereby promises to pay) to Lender and/or Trustee pursuant to this Deed of Trust. Upon demand by Lender, Grantor shall diligently defend any Indemnified Matter which affects the Property or is made or commenced against Lender, whether alone or together with Grantor or any other person, all at Grantor's own cost and expense and by counsel to be approved by Lender in the exercise of its reasonable judgment. In the alternative, at any time Lender may elect to conduct its own defense through counsel selected by Lender and at the cost and expense of Grantor. Nothing in this paragraph, elsewhere in this Deed of Trust or in any other Loan Document shall limit or impair any rights or remedies of Lender and/or Trustee (including without limitation any rights of contribution or indemnification) against Grantor or any other person under any other provision of this Deed of Trust, any other Loan Document, any other agreement or any applicable Legal Requirement.

(ii) For purposes of this Section 2.1(o), the term "Lender" shall include Lender, the directors, officers, partners, employees and Lender or Trustee, respectively, and any persons owned or controlled by, owning or controlling, or under common control or affiliated with Lender or Trustee, respectively. As used herein, the term "Indemnified Matters" means any and all claims, demands, liabilities (including strict liability), losses, damages (including consequential damages), causes of action, judgments, penalties, fines, costs and expenses (including without limitation, reasonable fees and expenses of attorneys and other professional consultants and experts, and of the investigation and defense of any claim, whether or not such claim is ultimately withdrawn or defeated, and the settlement of any claim or judgment including all value paid or given in settlement) of every kind, known or unknown, foreseeable or unforeseeable, which may be imposed upon, asserted against or incurred or paid by Lender and/or Trustee at any time and from time to time, whenever imposed, asserted or incurred, because of, resulting from, in connection with, or arising out of any transaction, act, omission, event or circumstance in any way connected with the Property or with this Deed of Trust or any other Loan Document, including but not limited to any bodily injury or death or property damage occurring in or upon or in the vicinity of the Property through any cause whatsoever at any time on or before the Release Date (hereinafter defined) any act performed or omitted to be performed hereunder or under any other Loan Document, any breach by Grantor of any representation, warranty, covenant, agreement or condition contained in this Deed of Trust or in any other Loan Document, any default as defined herein, any claim under or with respect to any Lease (hereinafter defined) or arising under the Environmental Indemnity. The term "Release Date" as used herein means the earlier of the following two dates: (i) the date on which the indebtedness and obligations secured hereby have been paid and performed in full and this Deed of Trust has been released, or (ii) the date on which the lien of this Deed of Trust is fully and finally foreclosed or a conveyance by deed in lieu of such foreclosure is fully and finally effective, and possession of the Property has been given to the purchaser or grantee free of occupancy and claims to occupancy by Grantor and Grantor's successors and assigns; provided, that if such payment, performance, release, foreclosure or conveyance is challenged, in bankruptcy proceedings or otherwise, the Release Date shall be deemed not to have occurred until such challenge is rejected, dismissed or withdrawn with prejudice. The indemnities in this paragraph

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(o) shall not terminate upon the Release Date or upon the release, foreclosure or other termination of this Deed of Trust but will survive the Release Date, foreclosure of this Deed of Trust or conveyance in lieu of foreclosure, the repayment of the Secured Indebtedness, the discharge and release of this Deed of Trust and the other Loan Documents, any bankruptcy or other debtor relief proceeding, and any other event whatsoever.

(p) Taxes on Note or Deed of Trust. Grantor will promptly pay all income, franchise and other taxes owing by Grantor and any stamp, documentary, recordation and transfer taxes or other taxes (unless such payment by Grantor is prohibited by law) which may be required to be paid with respect to the Loan, this Deed of Trust or any other instrument evidencing or securing any of the Secured Indebtedness. In the event of the enactment after this date of any law of any governmental entity applicable to Lender, the Loan, the Property or this Deed of Trust deducting from the value of property for the purpose of taxation any lien or security interest thereon, or imposing upon Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Grantor, or changing in any way the laws relating to the taxation of deeds of trust or security agreements or debts secured by deeds of trust or security agreements or the interest of the mortgagee or secured party in the property covered thereby, or the manner of collection of such taxes, so as to affect this Deed of Trust or the Secured Indebtedness or Lender, then, and in any such event, Grantor, upon demand by Lender, shall pay such taxes, assessments, charges or liens, or reimburse Lender therefor; provided, however, that if in the opinion of counsel for Lender (i) it might be unlawful to require Grantor to make such payment or (ii) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Required Lender may elect, to the extent permitted by applicable law, by notice in writing given to Grantor, to declare all of the Secured Indebtedness to be and become due and payable ninety (90) days from the giving of such notice.

(q) Statement Concerning Note or Deed of Trust. Grantor shall at any time and from time to time furnish within seven (7) days of request by Lender a written statement in such form as may be required by Lender (i) stating that the Note, this Deed of Trust and the other Loan Documents are valid and binding obligations of Grantor, enforceable against Grantor in accordance with their terms; (ii) identifying the unpaid principal balance of the Loan; (iii) identifying the date to which interest on the Loan is paid; (iv) affirming that the Loan, this Deed of Trust and the other Loan Documents have not been released, subordinated or modified; and (v) affirming that there are no offsets or defenses against the enforcement of the Loan, this Deed of Trust or any other Loan Document. If any of the foregoing statements in clauses (i), (iv) and (v) are untrue, Grantor shall, alternatively, specify the reasons therefor.

(r) Appraisal. Lender may obtain from time to time, an appraisal of all or any part of the Property prepared in accordance with written instructions from Lender by a third-party appraiser engaged directly by Lender. Each such appraiser and appraisal shall be satisfactory to Lender (including satisfaction of applicable regulatory requirements). The cost of any such appraisal shall be borne by Borrower if such appraisal is the first appraisal in any calendar year and in all events if Lender obtains such appraisal after the occurrence of an Event of Default, and such cost is due and payable by Borrower on demand and shall be a part of the Secured Indebtedness.

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Section 2.2. Performance by Lender on Grantor's Behalf. Grantor agrees that, if Grantor fails to perform any act or to take any action which under this Deed of Trust Grantor is required to perform or take, or to pay any money which under this Deed of Trust Grantor is required to pay, and such failure constitutes an Event of Default under this Deed of Trust, then Lender, in Grantor's name or its own name, may (but shall not be obligated to) perform or cause to be performed such act or take such action or pay such money, and any expenses so incurred by Lender and any money so paid by Lender shall be a demand obligation owing by Grantor to Lender (which obligation Grantor hereby promises to pay), shall be a part of the Secured Indebtedness, and Lender, upon making such payment, shall be subrogated to all of the rights of the person, entity or body politic receiving such payment. Lender and its designees shall have the right to enter upon the Property at any time and from time to time for any such purposes. No such payment or performance by Lender shall waive or cure any default or waive any right, remedy or recourse of Lender. Any such payment may be made by Lender in reliance on any statement, invoice or claim without inquiry into the validity or accuracy thereof. Each amount due and owing by Grantor to Lender pursuant to this Deed of Trust shall bear interest, from the date such amount becomes due until paid, at the rate per annum provided in the Note for interest on past due principal owed on the Loan, which interest shall be payable to Lender on demand; and all such amounts, together with such interest thereon, shall automatically and without notice be a part of the Secured Indebtedness. The amount and nature of any expense by Lender hereunder and the time when paid shall be fully established by the certificate of Lender or any of Lender's officers or agents.

Section 2.3. Absence of Obligations of Lender with Respect to Property. Notwithstanding anything in this Deed of Trust to the contrary, including, without limitation, the definition of "Property" and/or the provisions of Article 3 hereof, (i) to the extent permitted by applicable law, the Property is composed of Grantor's rights, title and interests therein but not Grantor's obligations, duties or liabilities pertaining thereto, (ii) Lender neither assumes nor shall have any obligations, duties or liabilities in connection with any portion of the items described in the definition of "Property" herein, either prior to or after obtaining title to such Property, whether by foreclosure sale, the granting of a deed in lieu of foreclosure or otherwise, and (iii) Lender may, at any time prior to or after the acquisition of title to any portion of the Property as above described, advise any party in writing as to the extent of Lender's interest therein and/or expressly disaffirm in writing any rights, interests, obligations, duties and/or liabilities with respect to such Property or matters related thereto. Without limiting the generality of the foregoing, it is understood and agreed that Lender shall have no obligations, duties or liabilities prior to or after acquisition of title to any portion of the Property, as lessee under any lease or purchaser or seller under any contract or option unless Lender elects otherwise by written notification.

Section 2.4. Authorization to File Financing Statements; Power of Attorney. Grantor hereby authorizes Lender at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements as authorized by applicable law, required by Lender to establish or maintain the validity, perfection and priority of the security interests granted in this Deed of Trust. For purposes of such filings, Grantor agrees to furnish any information requested by Lender promptly upon request by Lender. Grantor also ratifies its

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authorization for Lender to have filed any like initial financing statements, amendments thereto or continuation statements if filed prior to the date of this Deed of Trust. Grantor hereby irrevocably constitutes and appoints Lender and any officer or agent of Lender, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Grantor or in Grantor's own name to execute in Grantor's name any such documents and to otherwise carry out the purposes of this Section 2.4, to the extent that Grantor's authorization above is not sufficient. To the extent permitted by law, Grantor hereby ratifies all acts said attorneys-in-fact shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

Section 2.5 Compliance with Condominium Act and Condominium Documents.

(a) Grantor shall comply with and perform all of its obligations, regardless of whether said obligations arise from the status of Grantor as an Owner or as Declarant (as both terms are defined in the Declarations) under the Declarations, Applicable Law, the Interstate Land Sales Act, the Bylaws, and the Rules and Regulations of the Condominium Association or Master Association, and Grantor shall not violate or breach any material warranty, representation, covenant or agreement contained therein and binding on it. Grantor shall promptly deliver to Lender a true and full copy of each and every notice of default received by Grantor with respect to any obligation of Grantor under the provisions of Applicable Law, the Interstate Land Sales Act, or the Condominium Documents.

(b) During the period of Declarant control, if any, specified in the Condominium Declaration, and provided Declarant has the requisite voting power, no material amendments, modifications, supplements or releases shall be made to any of the Condominium Documents pertaining to the Project (excluding the Rules and Regulations) without the prior written approval of Lender, which approval shall not be unreasonably withheld or delayed.

(c) Grantor shall not, without the prior written consent of Lender, which consent shall not be unreasonably withheld or delayed, intentionally terminate, cancel, surrender or abandon any material rights of the Declarant provided under the Condominium Declaration or Applicable Law, and any such termination, cancellation, surrender or abandonment, or attempt thereof, without Lender's consent, shall be invalid and of no force and effect.

(d) Grantor shall pay to the Condominium Association and Master Association all common expenses and other assessments required of it by the Declarations or any secondary agreements between Declarant or Owner and the Condominium Association or Master Association, as applicable, and shall deliver proof of such payment (and so long as such information is available to Grantor an accounting of the balance of funds on deposit from time to time in the common expense fund or funds required to be established by the Declarations) upon reasonable demand by Lender made at reasonable intervals.

(e) Upon and during the occurrence of an Event of Default under the terms of this Deed of Trust or the other Loan Documents, Lender shall have all rights and privileges which Grantor (as the owner of a Unit) has by virtue of the Applicable Law and the Declarations as though Lender were in fact an Owner, including without limiting the generality of the foregoing,

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all voting rights accruing to Grantor under the terms of the Declarations; and Grantor hereby nominates and appoints Lender irrevocably so long as this Deed of Trust remains in effect as Grantor's exclusive proxy to vote and, as Grantor's exclusive agent, to act with respect to all of said rights, upon and during the occurrence of an Event of Default under the terms of this Deed of Trust or the other Loan Documents. The Condominium Association or Master Association, as applicable (or the Board of Directors of the Condominium Association or Master Association, as applicable) shall be entitled to rely conclusively on written notice of default from Lender to the Condominium Association or Master Association (or the Board of Directors of the Condominium Association or Master Association, as applicable) as to the existence of such Event of Default and as to Lender's rights and privileges under this subparagraph (e), including all voting rights accruing to Grantor under the terms of the Declarations and Applicable Law. In no event shall Lender be liable for any assessments of common expenses provided for in the Condominium Documents, or under any resolution adopted by the Condominium Association, nor shall Lender be deemed to be a Declarant, by the exercise of its rights under this Deed of Trust, including, without limitations, this subparagraph (e).

(f) Grantor shall not, except after notice to Lender and with the prior written consent of Lender (which consent shall not be unreasonably withheld or delayed), (i) vote for or consent to any material modification of, material amendment to or relaxation in the enforcement of any provision of the Condominium Declaration; (ii) in the event of damages to or destruction of the Project, exercise any vote with respect to casualty or condemnation proceeds; (iii) partition or subdivide any Unit; (iv) consent to or vote for the termination of the Project or Condominium Declaration, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (v) consent to or vote for any material amendment restatement or termination of the Condominium Documents including, without limitation, any amendment which would change the allocated interests of the Owners in the Project; or (vi) consent to or vote for the effectuation of any decision by the Condominium Association to terminate professional management and assume self-management of the Project.

ARTICLE 3

Assignment of Rents and Leases

Section 3.1. Assignment. As additional security for the indebtedness secured hereby, upon the occurrence of a Event of Default hereunder, Lender shall have the right, power and privilege (but shall be under no duty) to demand possession of the Rents, which demand shall to the fullest extent permitted by applicable law be sufficient action by Lender to entitle Lender to immediate and direct payment of the Rents (including delivery to Lender of Rents collected for the period in which the demand occurs and for any subsequent period), for application as provided in this Deed of Trust, solely to the ordinary and necessary expenses of owning and operating the Property or paid to Lender. However, until the occurrence of an Event of Default, Grantor shall have a revocable license to enforce payment, give satisfactions, sue for and collect and receive the Rents when due and prepayments thereof for not more than one (1) month prior to due date thereof. Upon the occurrence of an Event of Default, Grantor's license shall automatically terminate without notice to Grantor and Lender may thereafter, without taking possession of the Property, collect the Rents itself or by an agent or receiver. Upon the

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revocation of such license, all Rents shall be paid directly to Lender and not through Grantor, all without the necessity of any further action by Lender, including, without limitation, any action to obtain possession of the Land, Improvements or any other portion of the Property or any action for the appointment of a receiver. Grantor hereby authorizes and directs the tenants under the Leases to pay Rents to Lender upon written demand by Lender, without further consent of Grantor, without any obligation of such tenants to determine whether an Event of Default has in fact occurred and regardless of whether Lender has taken possession of any portion of the Property, and the tenants may rely upon any written statement delivered by Lender to the tenants. Any such payments to Lender shall constitute payments to Grantor under the Leases, and Grantor hereby irrevocably appoints Lender as its attorney-in-fact to do all things, after an Event of Default, which Grantor might otherwise do with respect to the Property and the Leases thereon, including, without limitation, (i) collecting Rents with or without suit and applying the same, less expenses of collection, to any of the obligations secured hereunder or under the Loan Documents or to expenses of operating and maintaining the Property (including reasonable reserves for anticipated expenses), at the option of the Lender, all in such manner as may be determined by Lender, or at the option of Lender, holding the same as security for the payment of the Secured Indebtedness, (ii) leasing, in the name of Grantor, the whole or any part of the Property which may become vacant, and (iii) employing agents therefor and paying such agents reasonable compensation for their services. The curing of such Event of Default, unless other Events of Default also then exist, shall entitle Grantor to recover its aforesaid license to do any such things which Grantor might otherwise do with respect to the Property and the Leases thereon and to again collect such Rents. The powers and rights granted in this paragraph shall be in addition to the other remedies herein provided for upon the occurrence of an Event of Default and may be exercised independently of or concurrently with any of said remedies. Nothing in the foregoing shall be construed (i) to impose any obligation upon Lender to exercise any power or right granted in this paragraph or to assume any liability under any Lease of any part of the Property and no liability shall attach to Lender for failure or inability to collect any Rents under any such Lease and (ii) as constituting Lender a mortgagee in possession in the absence of the actual taking of possession of the Property by Lender or as constituting an action, rendering any of Grantor's obligations to Lender unenforceable, in violation of any of the provisions of NRS Section 40.430 or otherwise limiting any rights available to Lender. The assignment contained in this Section shall become null and void upon the release of this Deed of Trust. As used herein: (i) "Lease" means each existing or future lease, sublease (to the extent of Grantor's rights thereunder) or other agreement under the terms of which any person has or acquires any right to occupy or use the Property, or any part thereof, or interest therein, and each existing or future guaranty of payment or performance thereunder, and all extensions, renewals, modifications and replacements of each such lease, sublease, agreement or guaranty; and (ii) "Rents" means all of the rents, revenue, income, profits and proceeds derived and to be derived from the Property or any business conducted thereon or arising from the use or enjoyment of any portion thereof or from any Lease, including but not limited to the proceeds from any negotiated lease termination or buyout of such Lease, liquidated damages following default under any such Lease, all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by damage to any part of the Property, all of Grantor's rights to recover monetary amounts from any tenant in bankruptcy including, without limitation, rights of recovery for use and occupancy and damage claims arising out of Lease defaults, including rejections, under any applicable Debtor Relief Law (hereinafter defined), together with any sums

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of money that may now or at any time hereafter be or become due and payable to Grantor by virtue of any and all royalties, overriding royalties, bonuses, delay rentals and any other amount of any kind or character arising under any and all present and all future oil, gas, mineral and mining leases covering the Property or any part thereof, and all proceeds and other amounts paid or owing to Grantor under or pursuant to any and all contracts and bonds relating to the construction or renovation of the Property.

Section 3.2. Covenants, Representations and Warranties Concerning Leases and Rents. Grantor will not execute any Lease with respect to the Property without the prior written consent of Lender.

Section 3.3. No Liability of Lender. Lender's acceptance of this assignment shall not be deemed to constitute Lender a "mortgagee in possession," nor obligate Lender to appear in or defend any proceeding relating to any Lease or to the Property, or to take any action hereunder, expend any money, incur any expenses, or perform any obligation or liability under any Lease, or assume any obligation for any deposit delivered to Grantor by any tenant and not as such delivered to and accepted by Lender. Lender shall not be liable for any injury or damage to person or property in or about the Property, or for Lender's failure to collect or to exercise diligence in collecting Rents, but shall be accountable only for Rents that it shall actually receive. Neither the assignment of Leases and Rents nor enforcement of Lender's rights regarding Leases and Rents (including collection of Rents) nor possession of the Property by Lender nor Lender's consent to or approval of any Lease (nor all of the same), shall render Lender liable on any obligation under or with respect to any Lease or constitute affirmation of, or any subordination to, any Lease, occupancy, use or option. If Lender seeks or obtains any judicial relief regarding Rents or Leases, the same shall in no way prevent the concurrent or subsequent employment of any other appropriate rights or remedies nor shall same constitute an election of judicial relief for any foreclosure or any other purpose. Lender neither has nor assumes any obligations as lessor or landlord with respect to any Lease. The rights of Lender under this Article 3 shall be cumulative of all other rights of Lender under the Loan Documents or otherwise.

ARTICLE 4 **Event of Default**

Section 4.1. Events of Default. The occurrence of any one of the following shall be a default under this Deed of Trust ("Event of Default"):

(a) Failure to Pay Secured Indebtedness. Any of the Secured Indebtedness is not paid when due on the Maturity Date (as defined in the Note), or in the case of any of the Secured Indebtedness due on a date other than the Maturity Date, such Secured Indebtedness is not paid within five (5) days after the same became due, whether by acceleration or otherwise.

(b) Nonperformance of Covenants. Any covenant, agreement or condition herein or in any other Loan Document (other than covenants otherwise addressed in another paragraph of this Section, such as covenants to pay the Secured Indebtedness) is not fully and timely

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performed, observed or kept, and such failure is not cured within the applicable notice and cure period (if any) provided for herein or in such other Loan Document.

(c) Default under other Loan Documents. The occurrence of a Default under (and as defined in) the Note or a default or event of default (however defined in) any other Loan Document (after giving effect to any notice or cure periods, if any).

(d) Representations. Any statement, representation or warranty in any of the Loan Documents, or in any financial statement or any other writing heretofore or hereafter delivered to Lender in connection with the Secured Indebtedness is false, misleading or erroneous in any material respect on the date hereof or on the date as of which such statement, representation or warranty is made.

(e) Bankruptcy or Insolvency. Borrower or any person liable, directly or indirectly, for any of the Secured Indebtedness (or any general partner or joint venturer of such owner or other person):

(i) (A) Executes an assignment for the benefit of creditors, or takes any action in furtherance thereof; or (B) admits in writing its inability to pay, or fails to pay, its debts generally as they become due; or (C) as a debtor, files a petition, case, proceeding or other action pursuant to, or voluntarily seeks the benefit or benefits of any Debtor Relief Law, or takes any action in furtherance thereof; or (D) seeks the appointment of a receiver, trustee, custodian or liquidator of the Property or any part thereof or of any significant portion of its other property; or

(ii) Suffers the filing of a petition, case, proceeding or other action against it as a debtor under any Debtor Relief Law or seeking appointment of a receiver, trustee, custodian or liquidator of the Property or any part thereof or of any significant portion of its other property, and (A) admits, acquiesces in or fails to contest diligently the material allegations thereof, or (B) the petition, case, proceeding or other action results in entry of any order for relief or order granting relief sought against it, or (C) in a proceeding under Debtor Relief Laws, the case is converted from one chapter to another, or (D) fails to have the petition, case, proceeding or other action permanently dismissed or discharged on or before the earlier of trial thereon or sixty (60) days next following the date of its filing; or

(iii) Conceals, removes, or permits to be concealed or removed, any part of its property, with intent to hinder, delay or defraud its creditors or any of them, or makes or suffers a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or makes any transfer of its property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid; or suffers or permits, while insolvent, any creditor to obtain a lien (other than as described in subparagraph (iv) below) upon any of its property through legal proceedings which are not vacated and such lien discharged prior to enforcement thereof and in any event within sixty (60) days from the date thereof; or

(iv) Fails to have discharged within a period of fifteen (15) days any attachment, sequestration, or similar writ levied upon any of its property; or

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(v) Fails to pay immediately any final money judgment against it.

(f) Transfer of the Property. Any sale, lease, conveyance, assignment, pledge, encumbrance, or transfer of all or any part of the Property or any interest therein, voluntarily or involuntarily, whether by operation of law or otherwise, except: (i) sales or transfers of items of the Accessories which have become obsolete or worn beyond practical use and which have been replaced by adequate substitutes, owned by Grantor, having a value equal to or greater than the replaced items when new; and (ii) the grant, in the ordinary course of business, of a leasehold interest in a part of the Improvements to a tenant for occupancy, not containing a right or option to purchase and not in contravention of any provision of this Deed of Trust or the Note. Lender may, in its sole discretion, waive a default under this paragraph, but it shall have no obligation to do so, and any waiver may be conditioned upon such one or more of the following (if any) which Lender may require: the grantee's integrity, reputation, character, creditworthiness and management ability being satisfactory to Lender in its sole judgment and grantee executing, prior to such sale or transfer, a written assumption agreement containing such terms as Lender may require, a principal paydown on the Loan, an increase in the rate of interest payable under the Loan, a transfer fee, a modification of the term of the Loan, and any other modification of the Loan Documents which Lender may require.

(g) Transfer of Assets. Any sale, lease, conveyance, assignment, pledge, encumbrance, or transfer of all or any part of the other assets of Grantor, excluding the Property, voluntarily or involuntarily, whether by operation of law or otherwise, except: (i) sales or transfers in the ordinary course of Grantor's business; and (ii) sales or transfers for which Grantor receives consideration substantially equivalent to the fair market value of the transferred asset.

(h) Transfer of Ownership of Grantor. The sale, pledge, encumbrance, assignment or transfer, voluntarily or involuntarily, whether by operation of law or otherwise, of any interest in Grantor (if Grantor is not a natural person but is a corporation, partnership, limited liability company, trust or other legal entity), without the prior written consent of Lender (including, without limitation, if Grantor is a partnership or joint venture, the withdrawal from or admission into it of any general partner or joint venturer) (provided that transfers of interests in Grantor among the current members in Grantor or their affiliates shall be permitted).

(i) Grant of Easement, Etc. Without the prior written consent of Lender (which consent shall not be withheld or delayed in the commercially reasonable judgment of Lender), Grantor grants any easement or dedication, files any plat, condominium declaration, or restriction, or otherwise encumbers the Property, or seeks or permits any zoning reclassification or variance, unless such action is expressly permitted by the Loan Documents or does not materially affect the Property.

(j) Default Under Other Lien. A default or event of default occurs under any lien, security interest or assignment covering the Property or any part thereof (whether or not Lender has consented, and without hereby implying Lender's consent, to any such lien, security interest or assignment not created hereunder), or the holder of any such lien, security interest or assignment declares a default or institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

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(l) Reserved.

(m) Reserved.

(n) Liquidation, Etc. The liquidation, termination, dissolution, merger, consolidation or failure to maintain good standing in the State where the Property is located and/or the state of incorporation or organization, if different (or in the case of an individual, the death or legal incapacity) of the Grantor or any person obligated to pay any part of the Secured Indebtedness.

(o) Material Adverse Effect. The occurrence of an event that, in Lender's reasonable opinion, has or will have a Material Adverse Effect, excluding: (A) claims for mechanic's or materialmen's liens or taxes against the Property which are being contested by Grantor in accordance with the specific provisions of the Loan Documents allowing such contest, (B) any suit or suits which are covered by insurance if the insurer has agreed to defend such claims without reservation of rights and in Lender's opinion the coverage afforded by such insurance is sufficient to satisfy the recovery being sought, or in the alternative, such suits do not involve the Property and which seek recovery of amounts not exceeding \$250,000.00 for any one such suit or in the aggregate for all such suits, which are being contested diligently and in good faith and for which adequate reserves have been established, if appropriate in accordance with generally accepted accounting principles, and (C) a material adverse change in the financial condition of Guarantor unless Guarantor is in compliance with each of its financial covenants as set forth in the Guaranty and Guarantor so certifies to Lender within twenty (20) days after written request from Lender. At least ten (10) days before declaring a default under this paragraph (o), Lender shall notify Grantor of its determination that an event covered by this paragraph (o) has occurred and a description in reasonable detail of the basis for its determination.

(p) Enforceability; Priority. Any Loan Document shall for any reason without Lender's specific written consent cease to be in full force and effect, or shall be declared null and void or unenforceable in whole or in part, or the validity or enforceability thereof, in whole or in part, shall be challenged or denied by any party thereto other than Lender; or the liens, mortgages or security interests of Lender in any of the Property become unenforceable in whole or in part, or cease to be of the priority herein required, or the validity or enforceability thereof, in whole or in part, shall be challenged or denied by Grantor or any person obligated to pay any part of the Secured Indebtedness.

(q) Other Indebtedness. A default or event of default occurs under any document executed and delivered in connection with any other indebtedness (to Lender or any other person or entity) of Grantor, the owner of the Property, any person obligated to pay any part of the Secured Indebtedness, or any person or entity which guarantees such other indebtedness.

Section 4.2. Notice and Cure. If any provision of this Deed of Trust or any other Loan Document provides for Lender to give to Grantor any notice regarding a default or incipient default, then if Lender shall fail to give such notice to Grantor as provided, the sole and exclusive remedy of Grantor for such failure shall be to seek appropriate equitable relief to enforce the agreement to give such notice and to have any acceleration of the maturity of the

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Loan and the Secured Indebtedness postponed or revoked and foreclosure proceedings in connection therewith delayed or terminated pending or upon the curing of such default in the manner and during the period of time permitted by such agreement, if any, and Grantor shall have no right to damages or any other type of relief not herein specifically set out against Lender, all of which damages or other relief are hereby waived by Grantor. Nothing herein or in any other Loan Document shall operate or be construed to add on or make cumulative any cure or grace periods specified in any of the Loan Documents.

ARTICLE 5 **Remedies**

Section 5.1. Certain Remedies. If an Event of Default shall occur and be continuing, Lender may (but shall have no obligation to), to the extent permitted by applicable law, exercise any one or more of the following remedies, without notice (unless notice is required by applicable statute):

(a) Acceleration; Termination. Lender may at any time and from time to time declare any or all of the Secured Indebtedness immediately due and payable. Upon any such declaration, such Secured Indebtedness shall, subject to NRS Section 107.080, thereupon be immediately due and payable, without presentment, demand, protest, notice of protest, notice of acceleration or of intention to accelerate or any other notice or declaration of any kind, all of which are hereby expressly waived by Grantor.

(b) Enforcement of Assignment of Rents. In addition to the rights of Lender under Article 3 hereof, prior or subsequent to taking possession of any portion of the Property or taking any action with respect to such possession, Lender may: (1) collect and/or sue for the Rents in Lender's own name, give receipts and releases therefor, and after deducting all expenses of collection, including attorneys' fees and expenses, apply the net proceeds thereof to the Secured Indebtedness in such manner and order as Lender may elect and/or to the operation and management of the Property, including the payment of management, brokerage and attorney's fees and expenses; and (2) require Grantor to transfer all security deposits and records thereof to Lender together with original counterparts of the Leases.

(c) Non-Judicial Sale. Lender may (1) dispose of some or all of the Property, in any combination consisting of both real and personal property, together in one sale to be held in accordance with the law and procedures applicable to real property, as permitted by Section 9604 of the Uniform Commercial Code as enacted in the State of Nevada, NRS Section 104.9604, and Grantor agrees that such a sale of personal property together with real property constitutes a commercially reasonable sale of the personal property and (2) by delivery to Trustee of written notice of declaration of default and demand for sale, cause to be filed of record a written notice of default and election to sell the Property. If required by Trustee, Lender shall also deposit with Trustee the Deed of Trust and Note or other Loan Documents or other agreements and such documents as required by Trustee evidencing expenditures or advances secured hereby. After the lapse of such time as there may be required by law following recordation of such notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Grantor, shall sell the Property, in accordance with applicable law, either as a whole or in

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separate parcels, and in such order as it or Lender may determine, at public auction to the highest bidder for cash in lawful money of the United States. Lender may, in its sole discretion, elect that the Property be sold in separate parcels through two or more successive sales. If Lender elects more than one sale of separate parcels of the Property, Lender may, at its option, cause the same to be conducted simultaneously or successively, on the same day or at such different days or times and in such order as Lender may deem to be in its best interests, and no such sale shall terminate or otherwise effect the first lien of the Deed of Trust or Trustee's power of sale hereunder until all indebtedness secured hereby has been fully paid. The place of sale shall be in the county in which the Property to be sold, or any part thereof, is situated. If Lender elects to dispose of the Property through more than one sale, Grantor shall pay the costs and expenses of each such sale and of any proceedings where the same may be made or conducted. Trustee may, subject to applicable law, postpone and change the time and place of sale of all or any portion of the Property by public announcement at any time and place fixed by it in said notice of sale and from time to time and place to place thereafter, without any further posting or notice thereof, may postpone such sale in public announcement to the time and place fixed by such postponement, whether or not said place fixed by any postponement be in the same city or other place as fixed in said notice of sale. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenants or warranty, express or implied. The recital in such deed of any matters of fact or otherwise shall be conclusive proof of truthfulness thereof.

(d) Uniform Commercial Code. Without limitation of Lender's rights of enforcement with respect to the Collateral or any part thereof in accordance with the procedures for foreclosure of real estate, Lender may exercise its rights of enforcement with respect to the Collateral or any part thereof under the UCC, as in effect from time to time (or under the Uniform Commercial Code in force, from time to time, in any other state to the extent the same is applicable law) and in conjunction with, in addition to or in substitution for those rights and remedies: (1) Lender may enter upon the Property to take possession of, assemble and collect the Collateral or, to the extent and for those items of the Collateral permitted under applicable law, to render it unusable; (2) Lender may require Grantor to assemble the Collateral and make it available at a place Lender designates which is mutually convenient to allow Lender to take possession or dispose of the Collateral; (3) written notice mailed to Grantor as provided herein at least ten (10) days prior to the date of public sale of the Collateral or prior to the date after which private sale of the Collateral will be made shall constitute reasonable notice; provided that, if Lender fails to comply with this clause (3) in any respect, its liability for such failure shall be limited to the liability (if any) imposed on it as a matter of law under the UCC, as in effect from time to time (or under the Uniform Commercial Code, in force from time to time, in any other state to the extent the same is applicable law); (4) any sale made pursuant to the provisions of this paragraph shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with and upon the same notice as required for the sale of the Property under power of sale as provided in paragraph (c) above in this Section 5.1; (5) in the event of a foreclosure sale, whether made by Trustee under the terms hereof, or under judgment of a court, the Collateral and the other Property may, at the option of Lender, be sold as a whole; (6) it shall not be necessary that Lender take possession of the Collateral or any part thereof prior to the time that any sale pursuant to the provisions of this Section is conducted and it shall not be necessary that the Collateral or any part thereof be present at the location of such sale; (7) with respect to application of proceeds from disposition of the Collateral under Section

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5.2 hereof, the costs and expenses incident to disposition shall include the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorneys' fees and legal expenses (including, without limitation, the allocated costs for in-house legal services) incurred by Lender; (8) any and all statements of fact or other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder as to nonpayment of the Secured Indebtedness or as to the occurrence of any Event of Default, or as to Lender having declared all of such indebtedness to be due and payable, or as to notice of time, place and terms of sale and of the properties to be sold having been duly given, or as to any other act or thing having been duly done by Lender, shall be taken as prima facie evidence of the truth of the facts so stated and recited; (9) Lender may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Lender, including the sending of notices and the conduct of the sale, but in the name and on behalf of Lender; (10) Lender may comply with any applicable state or federal law or regulatory requirements in connection with a disposition of the Collateral, and such compliance will not be considered to affect adversely the commercial reasonableness of any sale of the Collateral; (11) Lender may sell the Collateral without giving any warranties as to the Collateral, and specifically disclaim all warranties including, without limitation, warranties relating to title, possession, quiet enjoyment and the like, and all warranties of quality, merchantability and fitness for a specific purpose, and this procedure will not be considered to affect adversely the commercial reasonableness of any sale of the Collateral; (12) Grantor acknowledges that a private sale of the Collateral may result in less proceeds than a public sale; and (13) Grantor acknowledges that the Collateral may be sold at a loss to Grantor, and that, in such event, Lender shall have no liability or responsibility to Grantor for such loss.

(e) Lawsuits. Lender may, to the fullest extent permitted by applicable law, proceed by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure hereunder or for the sale of the Property under the judgment or decree of any court or courts of competent jurisdiction.

(f) Entry on Property. Lender is authorized, prior or subsequent to the institution of any foreclosure proceedings, to the fullest extent permitted by applicable law, to enter upon the Property, or any part thereof, and to take possession of the Property and all books and records, and all recorded data of any kind or nature, regardless of the medium of recording including, without limitation, all software, writings, plans, specifications and schematics relating thereto, and to exercise without interference from Grantor any and all rights which Grantor has with respect to the management, possession, operation, protection or preservation of the Property. Lender shall not be deemed to have taken possession of the Property or any part thereof except upon the exercise of its right to do so, and then only to the extent evidenced by its demand and overt act specifically for such purpose. All costs, expenses and liabilities of every character incurred by Lender in managing, operating, maintaining, protecting or preserving the Property shall constitute a demand obligation of Grantor (which obligation Grantor hereby promises to pay) to Lender pursuant to this Deed of Trust. If necessary to obtain the possession provided for above, Lender may invoke any and all legal remedies to dispossess Grantor. In connection with any action taken by Lender pursuant to this Section, Lender shall not be liable for any loss sustained by Grantor resulting from any failure to let the Property or any part thereof, or from

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any act or omission of Lender in managing the Property unless such loss is caused by the willful misconduct and bad faith of Lender, nor shall Lender be obligated to perform or discharge any obligation, duty or liability of Grantor arising under any lease or other agreement relating to the Property or arising under any Permitted Encumbrance or otherwise arising. Grantor hereby assents to, ratifies and confirms any and all actions of Lender with respect to the Property taken under this Section.

(g) Receiver. Lender shall as a matter of right be entitled to the appointment of a receiver or receivers for all or any part of the Property whether such receivership be incident to a proposed sale (or sales) of such property or otherwise, and without regard to the value of the Property or the solvency of any person or persons liable for the payment of the indebtedness secured hereby, and Grantor does hereby irrevocably consent to the appointment of such receiver or receivers, waives notice of such appointment, of any request therefor or hearing in connection therewith, and any and all defenses to such appointment, agrees not to oppose any application therefor by Lender, and agrees that such appointment shall in no manner impair, prejudice or otherwise affect the rights of Lender to application of Rents as provided in this Deed of Trust. Nothing herein is to be construed to deprive Lender of any other right, remedy or privilege it may have under the law to have a receiver appointed. Any money advanced by Lender in connection with any such receivership shall be a demand obligation (which obligation Grantor hereby promises to pay) owing by Grantor to Lender pursuant to this Deed of Trust.

(h) Termination of Commitment to Lend. Lender may terminate any commitment or obligation to lend or disburse funds under any Loan Document or enter into any other credit arrangement to or for the benefit of Grantor.

(i) Other Rights and Remedies. Lender may exercise any and all other rights and remedies which Lender may have under the Loan Documents, or at law or in equity or otherwise.

Section 5.2. Proceeds of Foreclosure. The proceeds of any sale held by Trustee or Lender or any receiver or public officer in foreclosure of the liens and security interests evidenced hereby shall be applied in accordance with the requirements of applicable laws and to the extent consistent therewith as follows: (i) FIRST, to the payment of all necessary costs and expenses incident to such foreclosure sale, including but not limited to all attorneys' fees and legal expenses, advertising costs, auctioneer's fees, costs of title rundowns and lien searches, inspection fees, appraisal costs, fees for professional services, environmental assessment and remediation fees, all court costs and charges of every character, (not exceeding five percent (5%) of the gross proceeds of such sale) to Trustee acting under the provisions of paragraph (c) of Section 5.1 hereof if foreclosed by power of sale as provided in said paragraph, and to the payment of the other Secured Indebtedness, including specifically without limitation the principal, accrued interest and attorneys' fees due and unpaid on the Loan and the amounts due and unpaid and owed to Lender under this Deed of Trust the order and manner of application to the items in this clause (all with interest at the rate per annum provided in the Note; and (ii) SECOND, the remainder, if any, shall be paid to Grantor, or to Grantor's successors or assigns, or such other persons (including the Lender or beneficiary of any inferior lien) as may be entitled thereto by law; provided, however, that if Lender is uncertain which person or persons are so entitled, Lender may interplead such remainder in any court of competent jurisdiction, and the

amount of any attorneys' fees, court costs and expenses incurred in such action shall be a part of the Secured Indebtedness and shall be reimbursable (without limitation) from such remainder.

Section 5.3. Lender as Purchaser. Lender shall have the right to become the purchaser at any sale held by Trustee or substitute or successor or by any receiver or public officer or at any public sale, and Lender shall have the right to credit upon the amount of Lender's successful bid, to the extent necessary to satisfy such bid, all or any part of the Secured Indebtedness held by Lender.

Section 5.4. Foreclosure as to Matured Debt. To the extent permitted by applicable law, upon the occurrence of an Event of Default, Lender shall have the right to proceed with foreclosure (judicial or nonjudicial) of the liens and security interests hereunder without declaring the entire Secured Indebtedness due, and in such event any such foreclosure sale may be made subject to the unmatured part of the Secured Indebtedness; and any such sale shall not in any manner affect the unmatured part of the Secured Indebtedness, but as to such unmatured part this Deed of Trust shall remain in full force and effect just as though no sale had been made. The proceeds of such sale shall be applied as provided in Section 5.2 hereof except that the amount paid under clause FIRST thereof shall be only the matured portion of the Secured Indebtedness and any proceeds of such sale in excess of those provided for in clause FIRST (modified as provided above) shall be applied to the prepayment (without penalty) of any other Secured Indebtedness in such manner and order and to such extent as Lender deems advisable, and the remainder, if any, shall be applied as provided in clause SECOND of Section 5.2 hereof. Several sales may be made hereunder without exhausting the right of sale for any unmatured part of the Secured Indebtedness.

Section 5.5. Remedies Cumulative. All rights and remedies provided for herein and in any other Loan Document are cumulative of each other and of any and all other rights and remedies existing at law or in equity, and Trustee and Lender shall, in addition to the rights and remedies provided herein or in any other Loan Document, be entitled to avail themselves of all such other rights and remedies as may now or hereafter exist at law or in equity for the collection of the Secured Indebtedness and the enforcement of the covenants herein and the foreclosure of the liens and security interests evidenced hereby, and the resort to any right or remedy provided for hereunder or under any such other Loan Document or provided for by law or in equity shall not prevent the concurrent or subsequent employment of any other appropriate right or rights or remedy or remedies.

Section 5.6. Discretion as to Security. Lender may resort to any security given by this Deed of Trust or to any other security now existing or hereafter given to secure the payment of the Secured Indebtedness, in whole or in part, and in such portions and in such order as may seem best to Lender in its sole and uncontrolled discretion, and any such action shall not in anywise be considered as a waiver of any of the rights, benefits, liens or security interests evidenced by this Deed of Trust.

Section 5.7. Grantor's Waiver of Certain Rights. To the full extent Grantor may do so, and to the fullest extent permitted by applicable law, Grantor agrees that Grantor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in

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force providing for any appraisal, valuation, stay, extension or redemption, homestead, moratorium, reinstatement, marshaling or forbearance, and Grantor, for Grantor, Grantor's successors and assigns, and for any and all persons ever claiming any interest in the Property, to the extent permitted by applicable law, hereby waives and releases all rights of redemption, valuation, appraisal, stay of execution, notice of intention to mature or declare due the whole of the Secured Indebtedness, notice of election to mature or declare due the whole of the Secured Indebtedness and all rights to a marshaling of assets of Grantor, including the Property, or to a sale in inverse order of alienation in the event of foreclosure of the liens and/or security interests hereby created. Grantor shall not have or assert any right under any statute or rule of law pertaining to the marshaling of assets, sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatsoever to defeat, reduce or affect the right of Lender under the terms of this Deed of Trust to a sale of the Property for the collection of the Secured Indebtedness without any prior or different resort for collection, or the right of Lender under the terms of this Deed of Trust to the payment of the Secured Indebtedness out of the proceeds of sale of the Property in preference to every other claimant whatsoever. Grantor waives any right or remedy which Grantor may have or be able to assert pursuant to any provision of any statute or rule of law pertaining to the rights and remedies of sureties. If any law referred to in this Section and now in force, of which Grantor or Grantor's successors or assigns or any other persons claiming any interest in the Property might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section.

Section 5.8. Delivery of Possession After Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale, Grantor or Grantor's successors as owners of the Property are occupying or using the Property, or any part thereof, each and all shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of purchaser, at a reasonable rental per day based upon the value of the property occupied, such rental to be due daily to the purchaser; and to the extent permitted by applicable law, the purchaser at such sale shall, notwithstanding any language herein apparently to the contrary, have the sole option to demand immediate possession following the sale or to permit the occupants to remain as tenants at will. After such foreclosure, any Leases to tenants or subtenants that are subject to this Deed of Trust (either by their date, their express terms, or by agreement of the tenant or subtenant) shall, at the sole option of Lender or any purchaser at such sale, either (i) continue in full force and effect, and the tenant(s) or subtenant(s) thereunder will, upon request, attorn to and acknowledge in writing to the purchaser or purchasers at such sale or sales as landlord thereunder, or (ii) upon notice to such effect from Lender, the Trustees or any purchaser or purchasers, terminate within thirty (30) days from the date of sale. In the event the tenant fails to surrender possession of the Property upon demand, the purchaser shall be entitled to institute and maintain a summary action for possession of the Property (such as an action for forcible detainer) in any court having jurisdiction.

ARTICLE 6

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Miscellaneous

Section 6.1. Scope of Deed of Trust. This Deed of Trust is a deed of trust of both real and personal property, a security agreement, an assignment of rents and leases, a financing statement and fixture filing and a collateral assignment, and also covers proceeds and fixtures.

Section 6.2. Effective as a Financing Statement. This Deed of Trust shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Property and is to be filed for record in the real estate records of each county where any part of the Property (including said fixtures) is situated. This Deed of Trust shall also be effective as a financing statement covering as-extracted collateral (including oil and gas), timber, accounts and general intangibles under the UCC, as, in effect from time to time, and the Uniform Commercial Code, as in effect from time to time, in any other state where the Property is situated which will be financed at the wellhead or minehead of the wells or mines located on the Property and is to be filed for record in the real estate records of each county where any part of the Property is situated. This Deed of Trust shall also be effective as a financing statement covering any other Property and may be filed in any other appropriate filing or recording office. The mailing address of Grantor and the Lender are set forth at the end of this Deed of Trust. A carbon, photographic or other reproduction of this Deed of Trust or of any financing statement relating to this Deed of Trust shall be sufficient as a financing statement for any of the purposes referred to in this Section.

Section 6.3. Notice to Account Debtors. In addition to the rights granted elsewhere in this Deed of Trust, Lender may at any time notify the account debtors or obligors of any accounts, chattel paper, general intangibles, negotiable instruments or other evidences of indebtedness included in the Collateral to pay Lender directly.

Section 6.4. Waiver by Lender. Lender may at any time and from time to time by a specific writing intended for the purpose: (a) waive compliance by Grantor with any covenant herein made by Grantor to the extent and in the manner specified in such writing; (b) consent to Grantor's doing any act which hereunder Grantor is prohibited from doing, or to Grantor's failing to do any act which hereunder Grantor is required to do, to the extent and in the manner specified in such writing; (c) release any part of the Property or any interest therein from the lien and security interest of this Deed of Trust, without the joinder of Trustee; or (d) release any party liable, either directly or indirectly, for the Secured Indebtedness or for any covenant herein or in any other Loan Document, without impairing or releasing the liability of any other party. No such act shall in any way affect the rights or powers of Lender or Trustee hereunder except to the extent specifically agreed to by Lender in such writing.

Section 6.5. No Impairment of Security. The lien, security interest and other security rights of Lender hereunder or under any other Loan Document shall not be impaired by any indulgence, moratorium or release granted by Lender including, but not limited to, any renewal, extension or modification which Lender may grant with respect to any Secured Indebtedness, or any surrender, compromise, release, renewal, extension, exchange or substitution which Lender may grant in respect of the Property, or any part thereof or any interest therein, or any release or indulgence granted to any endorser, guarantor or surety of any Secured Indebtedness. The taking

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of additional security by Lender shall not release or impair the lien, security interest or other security rights of Lender hereunder or affect the liability of Grantor or of any endorser, guarantor or surety, or improve the right of any junior lienholder in the Property (without implying hereby Lender's consent to any junior lien).

Section 6.6. Acts Not Constituting Waiver by Lender. Lender may waive any default without waiving any other prior or subsequent default. Lender may remedy any default without waiving the default remedied. Neither failure by Lender to exercise, nor delay by Lender in exercising, nor discontinuance of the exercise of any right, power or remedy (including but not limited to the right to accelerate the maturity of the Secured Indebtedness or any part thereof) upon or after any default shall be construed as a waiver of such default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Lender of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Grantor therefrom shall in any event be effective unless the same shall be in writing and signed by Lender and then such waiver or consent shall be effective only in the specific instance, for the purpose for which given and to the extent therein specified. No notice to nor demand on Grantor in any case shall of itself entitle Grantor to any other or further notice or demand in similar or other circumstances. Remittances in payment of any part of the Secured Indebtedness other than in the required amount in immediately available U.S. funds shall not, regardless of any receipt or credit issued therefor, constitute payment until the required amount is actually received by Lender in immediately available U.S. funds and shall be made and accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Lender of any payment in an amount less than the amount then due on any Secured Indebtedness shall be deemed an acceptance on account only and shall not in any way excuse the existence of a default hereunder notwithstanding any notation on or accompanying such partial payment to the contrary.

Section 6.7. Grantor's Successors. If the ownership of the Property or any part thereof becomes vested in a person other than Grantor, Lender may, without notice to Grantor, deal with such successor or successors in interest with reference to this Deed of Trust and to the Secured Indebtedness in the same manner as with Grantor, without in any way vitiating or discharging Grantor's liability hereunder or for the payment of the indebtedness or performance of the obligations secured hereby. No transfer of the Property, no forbearance on the part of Lender, and no extension of the time for the payment of the Secured Indebtedness given by Lender shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of Grantor hereunder for the payment of the indebtedness or performance of the obligations secured hereby or the liability of any other person hereunder for the payment of the indebtedness secured hereby. Unless agreed to in writing in connection with Lender's consent to the transfer, each Grantor agrees that it shall be bound by any modification of this Deed of Trust or any of the other Loan Documents made by Lender and any subsequent owner of the Property, with or without notice to such Grantor, and no such modifications shall (i) impair the obligations of such Grantor or (ii) increase the obligations of Grantor, unless consented to in writing by Grantor,

under this Deed of Trust or any other Loan Document. Nothing in this Section or elsewhere in this Deed of Trust shall be construed to imply Lender's consent to any transfer of the Property.

Section 6.8. Place of Payment; Forum; Waiver of Jury Trial. All Secured Indebtedness which may be owing hereunder at any time by Grantor shall be payable at the place designated in the Note (or if no such designation is made, at the address of Lender indicated at the end of this Deed of Trust). GRANTOR HEREBY IRREVOCABLY SUBMITS GENERALLY AND UNCONDITIONALLY FOR ITSELF AND IN RESPECT OF ITS PROPERTY TO THE NON-EXCLUSIVE JURISDICTION OF ANY STATE COURT, OR ANY UNITED STATES FEDERAL COURT, SITTING IN DALLAS, TEXAS, AND TO THE NON-EXCLUSIVE JURISDICTION OF ANY STATE COURT OR ANY UNITED STATES FEDERAL COURT SITTING IN THE STATE IN WHICH ANY OF THE PROPERTY IS LOCATED, OVER ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS DEED OF TRUST OR THE SECURED INDEBTEDNESS. GRANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT GRANTOR MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN ANY SUCH COURT AND ANY CLAIM THAT ANY SUCH COURT IS AN INCONVENIENT FORUM. Grantor hereby agrees and consents that, in addition to any methods of service of process provided for under applicable law, all service of process in any such suit, action or proceeding in any State court in which the Property is located, or any United States federal court, sitting in the State in which the Secured Indebtedness is payable may be made by certified or registered mail, return receipt requested, directed to Grantor at its address stated at the end of this Deed of Trust, or at a subsequent address of Grantor of which Lender received actual notice from Grantor in accordance with this Deed of Trust, and service so made shall be complete five (5) days after the same shall have been so mailed. Nothing herein shall affect the right of Lender to serve process in any manner permitted by law or limit the right of Lender to bring proceedings against Grantor in any other court or jurisdiction. TO THE FULLEST EXTENT PERMITTED BY LAW, GRANTOR KNOWINGLY AND FREELY WAIVES THE RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY ACTION, SUIT OR OTHER PROCEEDING ARISING OUT OF OR RELATING TO THIS DEED OF TRUST OR ANY OTHER LOAN DOCUMENT. GRANTOR ACKNOWLEDGES THAT THE RIGHT TO TRIAL BY JURY IS AN IMPORTANT RIGHT, THAT ITS WAIVER OF THIS RIGHT IS A NEGOTIATED TERM OF THE LOAN AND THAT GRANTOR HAS HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL OF ITS CHOOSING WITHIN RESPECT TO THIS WAIVER.

Section 6.9. Subrogation to Existing Liens; Vendor's/Purchase Money Lien. To the extent that proceeds of the Loan are used to pay indebtedness secured by any outstanding lien, security interest, charge or prior encumbrance against the Property, such proceeds have been advanced by Lender at Grantor's request, and Lender shall be subrogated to any and all rights, security interests and liens owned by any owner or Lender of such outstanding liens, security interests, charges or encumbrances, however remote, irrespective of whether said liens, security interests, charges or encumbrances are released, and all of the same are recognized as valid and subsisting and are renewed and continued and merged herein to secure the Secured Indebtedness, but the terms and provisions of this Deed of Trust shall govern and control the manner and terms of enforcement of the liens, security interests, charges and encumbrances to which Lender is

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subrogated hereunder. It is expressly understood that, in consideration of the payment of such indebtedness by Lender, Grantor hereby waives and releases all demands and causes of action for offsets and payments in connection with the said indebtedness. If all or any portion of the proceeds of the Loan or of any other Secured Indebtedness has been advanced for the purpose of paying the purchase price for all or a part of the Property, no vendor's or purchase money lien is waived; and Lender shall have, and is hereby granted, a vendor's or purchase money lien on the Property as cumulative additional security for the Secured Indebtedness. Lender may foreclose under this Deed of Trust or under the vendor's or purchase money lien without waiving the other or may foreclose under both.

Section 6.10. Application of Payments to Certain Indebtedness. If any part of the Secured Indebtedness cannot be lawfully secured by this Deed of Trust or if any part of the Property cannot be lawfully subject to the lien and security interest hereof to the full extent of such Secured Indebtedness, then all payments made shall be applied on said Secured Indebtedness first in discharge of that portion thereof which is not secured by this Deed of Trust.

Section 6.11. Compliance with Usury Laws. It is the intent of Grantor and Lender and all other parties to the Loan Documents to conform to and contract in strict compliance with applicable usury law from time to time in effect. All agreements between Lender and Grantor (or any other party liable with respect to any indebtedness under the Loan Documents) are hereby limited by the provisions of this Section which shall override and control all such agreements, whether now existing or hereafter arising. In no way, nor in any event or contingency (including but not limited to prepayment, default, demand for payment, or acceleration of the maturity of any obligation), shall the interest taken, reserved, contracted for, charged, chargeable, or received under this Deed of Trust, the Note or any other Loan Document or otherwise, exceed the maximum nonusurious amount permitted by applicable law (the "Maximum Amount"). If, from any possible construction of any document, interest would otherwise be payable in excess of the Maximum Amount, any such construction shall be subject to the provisions of this Section and such document shall ipso facto be automatically reformed and the interest payable shall be automatically reduced to the Maximum Amount, without the necessity of execution of any amendment or new document. If Lender shall ever receive anything of value which is characterized as interest under applicable law and which would apart from this provision be in excess of the Maximum Amount, an amount equal to the amount which would have been excessive interest shall, without penalty, be applied to the reduction of the principal amount owing on the Secured Indebtedness in the inverse order of its maturity and not to the payment of interest, or refunded to Grantor or the other payor thereof if and to the extent such amount which would have been excessive exceeds such unpaid principal. The right to accelerate maturity of the Loan or any other Secured Indebtedness does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Lender does not intend to charge or receive any unearned interest in the event of acceleration. All interest paid or agreed to be paid to Lender shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full stated term (including any renewal or extension) of such indebtedness so that the amount of interest on account of such indebtedness does not exceed the Maximum Amount. As used in this Section, the term "applicable law" shall mean the laws of the State where the Property is located or where the Secured Indebtedness is payable, or the federal laws of the United States applicable to this

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transaction, whichever laws allow the greatest interest, as such laws now exist or may be changed or amended or come into effect in the future.

Section 6.12. Releases. If (i) all of the Secured Indebtedness be paid as the same becomes due and payable and all of the covenants, warranties, undertakings and agreements made in this Deed of Trust are kept and performed, or (ii) Grantor is entitled to a reconveyance of this Deed of Trust and a release at any UCC financing statement in accordance with the terms of the Note, then, and in that event only, all rights under this Deed of Trust shall terminate (except to the extent expressly provided herein with respect to indemnifications, representations and warranties and other rights which are to continue following the release hereof) and the Property shall become wholly clear of the liens, security interests, conveyances and assignments evidenced hereby, and such liens and security interests shall be released by Lender in due form at Grantor's cost. Without limitation, all provisions herein for indemnity of Lender or Trustee shall survive discharge of the Secured Indebtedness and any foreclosure, release or termination of this Deed of Trust. Lender may, regardless of consideration, cause the release of any part of the Property from the lien of this Deed of Trust without in any manner affecting or impairing the lien or priority of this Deed of Trust as to the remainder of the Property.

Section 6.13. Notices. All notices, requests, consents, demands and other communications required or which any party desires to give hereunder or under the Loan Documents shall be in writing and, unless otherwise specifically provided in the Loan Documents, shall be deemed sufficiently given or furnished if delivered by nationally recognized overnight courier service, or by registered or certified United States mail, postage prepaid, addressed to the party to whom directed at the addresses specified in this Deed of Trust (unless changed by similar notice in writing given by the particular party whose address is to be changed). Any such notice or communication shall be deemed to have been given as of the date of first attempted delivery at the address and in the manner provided herein. Notwithstanding the foregoing, no notice of change of address shall be effective except upon receipt. This Section shall not be construed in any way to affect or impair any waiver of notice or demand provided in any Loan Document or to require giving of notice or demand to or upon any person in any situation or for any reason.

Section 6.14. Invalidity of Certain Provisions. A determination that any provision of this Deed of Trust is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Deed of Trust to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

Section 6.15. Gender; Titles; Construction. Within this Deed of Trust, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires. Titles appearing at the beginning of any subdivisions hereof are for convenience only, do not constitute any part of such subdivisions, and shall be disregarded in construing the language contained in such subdivisions. The use of the words "herein," "hereof," "hereunder" and other similar compounds of the word "here" shall refer to this entire Deed of Trust and not to any particular Article, Section, paragraph or provision. The term "person" and words importing persons as

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used in this Deed of Trust shall include firms, associations, partnerships (including limited partnerships), joint ventures, trusts, corporations, limited liability companies and other legal entities, including public or governmental bodies, agencies or instrumentalities, as well as natural persons.

Section 6.16. Reporting Compliance. Grantor agrees to comply with any and all reporting requirements applicable to the transaction evidenced by the Loan Documents and secured by this Deed of Trust which are set forth in any law, statute, ordinance, rule, regulation, order or determination of any governmental authority, including but not limited to The International Investment Survey Act of 1976, The Agricultural Foreign Investment Disclosure Act of 1978, The Foreign Investment in Real Property Tax Act of 1980 and the Tax Reform Act of 1984 and further agrees upon request of Lender to furnish Lender with evidence of such compliance.

Section 6.17. Grantor. If any Grantor, or any signatory who signs on behalf of any Grantor, is a corporation, partnership or other legal entity, Grantor and any such signatory, and the person or persons signing for it, represent and warrant to Lender that this instrument is executed, acknowledged and delivered by Grantor's duly authorized representatives.

Section 6.18. Execution; Recording. This Deed of Trust may be executed in several counterparts, all of which are identical, and all of which counterparts together shall constitute one and the same instrument. The date or dates reflected in the acknowledgments hereto indicate the date or dates of actual execution of this Deed of Trust, but such execution is as of the date shown on the first page hereof, and for purposes of identification and reference the date of this Deed of Trust shall be deemed to be the date reflected on the first page hereof. Grantor will cause this Deed of Trust and all amendments and supplements thereto and substitutions therefor and all financing statements and continuation statements relating thereto to be recorded, filed, re-recorded and refiled in such manner and in such places as Trustee or Lender shall reasonably request and will pay all such recording, filing, re-recording and refiling taxes, fees and other charges.

Section 6.19. Successors and Assigns. The terms, provisions, covenants and conditions hereof shall be binding upon Grantor, and the successors and assigns of Grantor, and shall inure to the benefit of Trustee and Lender and shall constitute covenants running with the Land. All references in this Deed of Trust to Grantor shall be deemed to include all successors and assigns of Grantor.

Section 6.20. No Partnership, Etc. The relationship between Lender and Grantor is solely that of lender and borrower. Lender has no fiduciary or other special relationship with Grantor. Nothing contained in the Loan Documents is intended to create any partnership, joint venture, association or special relationship between Grantor and Lender or in any way make Lender a co-principal with Grantor with reference to the Property. All agreed contractual duties between or among Lender, Trustee and Grantor are set forth herein and in the other Loan Documents and any additional implied covenants or duties are hereby disclaimed. Any inferences to the contrary of any of the foregoing are hereby expressly negated.

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Section 6.21. Substitution of Trustee. Lender may, from time to time, by an instrument in writing, substitute a successor or successors to any trustee named herein or acting hereunder, which instrument, executed and acknowledged by Lender and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof of proper substitution of such successor trustee or trustees, who shall, without conveyances from the trustee predecessor, succeed in all its title, estate, rights, powers and duties. Such instrument shall contain the name and address of the new trustee. The procedure herein provided for substitution of trustees shall not be exclusive of other provisions for substitution provided by law.

Section 6.22. Applicable Law. THIS DEED OF TRUST, AND ITS VALIDITY, ENFORCEMENT AND INTERPRETATION, SHALL BE GOVERNED BY AND CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH AND PURSUANT TO THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED (WITHOUT REGARD TO ANY CONFLICT OF LAWS PRINCIPLES) AND APPLICABLE UNITED STATES FEDERAL LAW, EXCEPT AS OTHERWISE REQUIRED BY MANDATORY PROVISIONS OF LAW AND EXCEPT TO THE EXTENT THAT REMEDIES PROVIDED BY THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE WHERE THE PROPERTY IS LOCATED ARE GOVERNED BY THE LAWS OF SUCH OTHER JURISDICTION.

Section 6.23. Adoption of Statutory Covenants. The following covenants, Nos. 1, 2 (full replacement value), 3, 4 (at the default rate of interest specified in the Note), 5, 6, 7 (a reasonable), 8 and 9 of NRS Section 107.030, where not in conflict with the provisions of the Loan Documents, are hereby adopted and made a part of this Deed of Trust.

Section 6.24 Entire Agreement. The Loan Documents constitute the entire understanding and agreement between Grantor and Lender with respect to the transactions arising in connection with the Secured Indebtedness and supersede all prior written or oral understandings and agreements between Grantor and Lender with respect to the matters addressed in the Loan Documents. Grantor hereby acknowledges that, except as incorporated in writing in the Loan Documents, there are not, and were not, and no persons are or were authorized by Lender to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the matters addressed in the Loan Documents.

THE WRITTEN LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

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IN WITNESS WHEREOF, Grantor has executed this instrument is executed by Grantor as of the date first written on page 1 hereof.


GRANTOR:

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

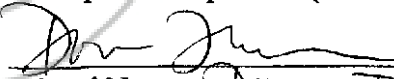
By: 
Gerald J. Reihsen, III
Executive Vice President

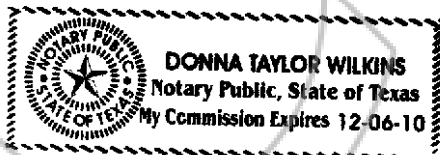
STATE OF TEXAS

§
§
§

COUNTY OF DALLAS

This instrument was acknowledged before me on March 1, 2007, by Gerald J. Reihsen, III, Executive Vice President of Harvard Property Trust, LLC, a Delaware limited liability company, general partner of Behringer Harvard Strategic Advisors I, LP, a Texas limited partnership, general partner of Behringer Harvard Strategic Opportunity Fund I LP, a Texas limited partnership, manager of Behringer Harvard Lake Tahoe, LLC, a Nevada limited liability company, on behalf of said companies and limited partnerships.


Printed Name: Donna T. Wilkins
Notary Public, State of Texas



**DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT,
FIXTURE FILING AND FINANCING STATEMENT - Signature Page**

EXHIBIT A

LAND

All that parcel or parcels of real property located in the Douglas County, State of Nevada, and more particularly described as follows:

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;

EXHIBIT A - Page 1



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.