

DOC # 713423
11/20/2007 10:39AM Deputy: DW
OFFICIAL RECORD
Requested By:
STEWART TITLE - DOUGLAS
Douglas County - NV
Werner Christen - Recorder
Page: 1 of 32 Fee: 45.00
BK-1107 PG-5179 RPTT: 0.00



RECORDING REQUESTED
BY AND
WHEN RECORDED MAIL TO:

NAME MAILING ADDRESS CITY, STATE ZIP CODE
Davidon Development Corp.
1600 South Main Street, Suite 150
Walnut Creek, CA 94596
Attention: Dennis Cedros

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

DAVIDON DEVELOPMENT CORP.
(Trustor)

and

STEWART TITLE INSURANCE COMPANY OF DOUGLAS COUNTY
(Trustee)

and

JDJ INVESTMENTS, L.P.
(Beneficiary)

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

THIS DOCUMENT IS ALSO A FIXTURE FILING IN ACCORDANCE WITH SECTION
9502 OF THE CALIFORNIA UNIFORM COMMERCIAL CODE; IT COVERS GOODS
THAT ARE OR ARE TO BECOME FIXTURES.

Dated: As of November 15, 2007

APN#: 1419-26-001-017
1419-26-001-018
1419-26-001-020

**THIS INSTRUMENT IS BEING RECORDED AS AN
ACCOMMODATION ONLY. NO LIABILITY,
EXPRESS OR IMPLIED, IS ASSUMED AS TO ITS
REGULARITY OR SUFFICIENCY NOR AS TO ITS
AFFECT, IF ANY, UPON TITLE TO ANY REAL
PROPERTY DESCRIBED THEREIN.**

STEWART TITLE OF NEVADA, WESTERN DIVISION

DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("**Deed of Trust**") is being executed by Davidon Development Corp., a Nevada corporation (the "**Trustor**"), having an address at 1600 South Main Street, Suite 150, Walnut Creek, California 94596, the owner of the real property located in Douglas County, Nevada described in the attached Exhibit A, to Stewart Title Insurance Company of Douglas County ("**Trustee**"), having an address at 1650 North Lucerne, Minden, Nevada 89423, in favor of JDJ Investments, L.P., a California limited partnership, ("**Beneficiary**"), having an address at 1600 South Main Street, Suite 150, Walnut Creek, California 94596.

Beneficiary is making a loan available to Trustor in an aggregate principal amount of Five Million Dollars \$5,000,000 (the "**Loan**") to finance Trustor's development of the Property (as defined below). It is a condition to the making of the Loan that Trustor provide as collateral for the Loan the Property. Beneficiary would not make the Loan if Trustor was not willing to execute this Deed of Trust in favor of Beneficiary. In consideration of the foregoing, Trustor hereby irrevocably grants, conveys, transfers and assigns to Trustee, its successors and assigns, in trust, with power of sale and right of entry and possession as provided below, all of its present and future estate, right, title and interest in and to the following described property, now or hereafter acquired (collectively, the "**Property**"):

A) The real property described in the attached Exhibit A (the "**Real Property**"), which is incorporated into this Deed of Trust by reference.

B) All present and future structures, buildings, improvements, appurtenances and fixtures of any kind on the Real Property, it being intended and agreed that all such items will be conclusively considered to be part of the Real Property conveyed by this Deed of Trust, whether or not attached or affixed to the Real Property ("**Improvements**").

C) All rights to minerals, oil and gas and other hydrocarbon substances, all water, irrigation and drainage rights, and all crops and timber on, under or relating to the Real Property; all shares of stock in any water company or other utility supplying water or utility services to the Real Property; and all damages, royalties and revenues of every kind, nature and description whatsoever that Trustor may be entitled to receive from any person or entity owning or hereafter acquiring a right to any oil, gas and mineral rights and reservations appurtenant or otherwise related to the Real Property.

D) All easements, rights-of-way, licenses, permits, rights of use or occupancy, privileges, tenements, appendages, hereditaments and appurtenances and other rights and privileges belonging or in any way appertaining to the Real Property, whether now or in the future, and all the rents, issues, profits, reversions and remainders therefrom.

E) All right, title and interest, if any, of Trustor, in and to the land lying within any street, alley, avenue, roadway or right-of-way open or proposed or hereafter vacated in front of or adjoining the Real Property; and all right, title and interest, if any, of Trustor in and to any strips and gores adjoining the Real Property.



F) All rents, revenues, issues, profits, proceeds, income, royalties, "accounts," including "health-care-insurance-receivables," escrows, letter-of-credit rights (each as defined in the Uniform Commercial Code of the State of California (the "Code") in effect from time to time), security deposits, impounds, reserves, tax refunds and other rights to revenues from the Real Property, improvements and personal property related to the Real Property and/or the businesses and operations conducted by Trustor on the Real Property.

G) All plans, drawings, specifications, contracts and agreements for construction of any improvements now located on, or hereafter to be constructed on, the Real Property and all studies, data and drawings relating thereto; all payment, performance or other bonds; and in all deposits and other security delivered to, by or for the benefit of Trustor in connection with the construction of improvements on the Real Property; any and all construction materials, supplies and equipment used or to be used in connection with the construction of improvements on the Real Property, whether or not stored on the Real Property, and all warranties and guaranties relating thereto; any and all contracts, subcontracts, agreements, and purchase orders with architects, engineers, consultants, contractors, subcontractors, suppliers and materialmen incidental to construction of improvements on the Real Property; all reserves, deferred payment deposits, cost savings and payments of any kind relating to the construction of such improvements; and all drawings, maps, plats, surveys, studies and reports relating to the Real Property.

H) All licenses (including liquor licenses, operating licenses or similar licenses), contracts, management contracts or agreements, franchise agreements, building, occupancy and other governmental and non-governmental permits, authorizations, consents and certificates acquired or used in connection with the construction, use, ownership, operation, occupancy, maintenance, repair, improvement or development of, or conduct of business on, the Real Property.

I) To the extent now existing or hereafter arising from, located on, grown on, or used in connection with the Real Property, all personal property, goods, fixtures, equipment, vehicles (including motor vehicles and trailers), farm products, vines, trees, appliances, furniture and furnishings, building service equipment, building materials, supplies, including all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereof.

J) To the extent now existing or hereafter arising from or used in connection with the Real Property or the business conducted thereon or with respect thereto, all contract rights and general intangibles, including, without limitation, label rights, goodwill, trademarks, servicemarks, copyrights, trade styles, trade names, patents, leases, license agreements, franchise agreements, drawings, purchase orders, customer and mailing lists (subject to any existing contractual privacy rights of persons on said lists), route lists, computer programs, computer discs, computer tapes, literature, reports, catalogs, designs, design rights, building permits, entitlements, income tax refunds, payments of insurance and rights to payment of any kind.

K) To the extent now existing or hereafter arising from or used in connection with the Real Property or the business conducted thereon or with respect thereto, all accounts, contract rights, royalties, license rights and all other forms of obligations owing to Trustor arising out of the sale or lease of goods, the licensing of technology or the rendering of



services by Trustor, whether or not earned by performance, and any and all credit insurance, guaranties, and other security therefor, as well as all merchandise returned to or reclaimed by Trustor.

L) To the extent now existing or hereafter arising from, or used in connection with the Real Property or the business conducted thereon or with respect thereto, all documents, cash, deposit accounts, financial assets, securities, securities entitlements, securities accounts, investment property, letters of credit, certificates of deposit, instruments and chattel paper now owned or hereafter acquired and Trustor's books and records relating to the foregoing.

M) All insurance and insurance policies insuring the Property or any part thereof or interest therein (including fire and extended coverage, public liability, worker's compensation, builder's risk, flood, and earthquake insurance policies, if any) and all proceeds of such insurance policies; all claims, awards, damages, causes of action, actions, judgments, recoveries, compensation, awards and proceeds arising on account of injury or damage to or taking of all or any part of the Property or for any loss or diminution in value of the Property; all advance payments of insurance premiums made by Trustor with respect to the Property; all deposits made with or other security given by Trustor to governmental authorities, utility companies and other third parties with respect to the Property; all claims or demands with respect to such deposits or security; and all right to refunds or rebates of any such insurance premiums or deposits, taxes or assessments on the Property.

N) All of Trustor's books and records relating to the foregoing, any and all claims, rights and interests in any of the above and all substitutions for, additions and accessions to any of the above.

O) All proceeds of any and all of the foregoing.

This instrument secures all of the following obligations ("**Obligations**");

(1) The payment and performance of Trustor's indebtedness and obligations under and relating to the Loan, including all extensions, renewals and modifications thereof.

(2) The payment and performance of Trustor's obligations under this Deed of Trust, and under that certain Promissory Note dated the same date as this Deed of Trust (the "**Note**") made by Trustor to Beneficiary (such documents, together with any other documents evidencing or securing the Loan, are collectively referred to as the "**Loan Documents**").

(3) The payment of all sums advanced or paid out by Beneficiary or Trustee under or pursuant to any provision of this Deed of Trust or to protect the security of this Deed of Trust, together with interest thereon as provided herein.

(4) The payment of the principal and interest on all other future loans or advances made by Beneficiary to Trustor (or any successor in interest to Trustor as the owner of all or any part of the Property) when the promissory note or document evidencing such loan or



BK-1107
PG-5182

713423 Page: 4 of 32 11/20/2007

advance specifically states that it is secured by this Deed of Trust ("**Future Advances**"), including all extensions, renewals and modifications of any Future Advances.

Trustor warrants that Trustor lawfully possesses and holds fee simple title to the Property without limitation on the right to encumber, and that this Deed of Trust is a valid first priority lien on the Property subject only to the encumbrances listed in Exhibit B. Trustor, at its sole cost and expense, and except as otherwise permitted by Beneficiary, shall at all times keep, protect, defend and maintain title to the Property free and clear of any liens or encumbrances that would or could impair the validity or priority of this Deed of Trust.

ARTICLE 1

COVENANTS OF TRUSTOR

To protect the security of this Deed of Trust, Trustor agrees:

1.1 Performance. To perform all obligations under this Deed of Trust in accordance with its terms.

1.2 Insurance. To maintain in force on the Property hazard insurance and any other insurance containing such deductibles and terms as are requested from time to time by Beneficiary, or are required by law or this Deed of Trust, in each case with loss payable to the Beneficiary. Approval of any insurance by Beneficiary will not be a representation of the solvency of any insurer or the sufficiency of any amount or form of insurance.

1.3 Assignment of Proceeds. All insurance proceeds on the Property, all proceeds of a sale of all or any portion of the Property, and all causes of action, claims, compensation, awards and recoveries for any damage, condemnation or taking of all or any part of the Property or for any damage or injury to it or for any loss or diminution in value of the Property, are hereby assigned to and shall be paid to Beneficiary. At Beneficiary's option, Beneficiary may appear in and prosecute (either in its own name or in the name of Trustor) or participate in any suits or proceedings relating to any such proceeds, causes of action, claims, compensation, awards or recoveries and may adjust, compromise or settle any claim in connection with the same.

1.4 Taxes and Assessments. Trustor agrees to pay before delinquency all taxes, fees, impositions and assessments which are or may become a lien on all or any portion of or interest in the Property or which are assessed against the Property or its rents, royalties, profits and income. Trustor also agrees to pay when due all lawful claims and demands of mechanics, materialmen, laborers and others for any work performed or materials delivered with respect to the Property.

1.5 Perfection of Security. Trustor agrees to execute and deliver to Beneficiary, from time to time on demand and at Trustor's cost and expense, any documents required to perfect and continue the perfection of Trustee's or Beneficiary's interest in the Property.

1.6 Acceleration. Without the prior written consent of Beneficiary (which consent may be withheld in Beneficiary's sole and absolute discretion), Trustor shall not



BK-1107
PG-5183

713423 Page: 5 of 32 11/20/2007

sell, encumber, assign, contract to sell, grant an option to sell, lease or otherwise transfer or convey the Property or any portion thereof or interest therein (legal or beneficial) or suffer its title therein to be divested whether voluntarily, by operation of law or otherwise, and Trustor shall not dissolve, cease doing business or terminate its existence. If such an event occurs without Beneficiary's prior written consent, Beneficiary may, in its sole option and upon written notice to Trustor, accelerate the maturity date of the sums secured hereby and declare all such sums immediately due and payable.

1.7 Waste; Changes in Zoning; Subdivision.

1.7.1 Trustor shall not commit any waste on the Property or take any actions that might invalidate any insurance carried on the Property. Trustor shall maintain the Property, and every portion thereof, in good condition and repair. Beneficiary shall have the right, but not the obligation, after the occurrence and during the continuation of any Event of Default that has not been cured during any applicable cure period, to enter upon and take possession of the Property and to make additions, alterations, repairs or improvements to the Property which Beneficiary may consider necessary or proper to keep the Property in good condition and repair. No personal property in which Beneficiary has a security interest may be removed from the Property unless it is immediately replaced by similar property of at least equivalent value on which Beneficiary will immediately have a valid first lien and security interest.

1.7.2 Without the prior written consent of Beneficiary, which Beneficiary shall not unreasonably withhold, Trustor shall not make or consent to any change in the zoning, lot lines or conditions of use of the Property. Beneficiary hereby consents to Trustor obtaining such governmental approvals and entitlements, if any, as are necessary to enable a final map to be recorded. Trustor, at its sole cost, shall comply with and make all payments required under the provisions of any covenants, conditions or restrictions affecting the Property. Trustor, at its sole cost, shall comply with all existing and future requirements of all governmental authorities having jurisdiction over the Property.

1.8 Statement of Obligations. Trustor will promptly furnish from time to time, upon Beneficiary's request, a duly acknowledged written statement setting forth all amounts due on the indebtedness secured by this Deed of Trust and stating whether any offsets or defenses exist, and containing such other matters as Beneficiary may reasonably require.

1.9 Defend Security. Trustor, at its own expense, shall appear in and defend any action or proceeding that might affect Beneficiary's security or the rights or powers of Beneficiary or Trustee or that purports to affect any of the Property. If Trustor fails to perform any of its covenants or agreements contained in this Deed of Trust or any of the other Loan Documents, or if any action or proceedings of any kind (including but not limited to any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding) is commenced which might affect Beneficiary's or Trustee's interest in the Property or Beneficiary's right to enforce its security, then Beneficiary and/or Trustee may, at their option, make any appearances, disburse any sums and take any actions as may be necessary or desirable to protect or enforce the security of this Deed of Trust or to remedy the failure of Trustor to perform its covenants, including without limitation payment on behalf of Trustor of any taxes, assessments, liens, insurance premiums and repair or maintenance costs (without, however, waiving any default of Trustor). Trustor agrees to pay all



reasonable out-of-pocket expenses incurred by Beneficiary and Trustee (including but not limited to fees and disbursements of counsel). Any sums disbursed or advanced by Beneficiary or Trustee shall be additional indebtedness of Trustor secured by this Deed of Trust and shall be payable by Trustor upon demand. Any such sums so disbursed or advanced by Beneficiary shall bear interest at the Default Rate for the Loan, and any such sums so disbursed or advanced by Trustee shall bear interest at the maximum rate permitted to be charged by Trustee under applicable law. This Section 1.10 shall not be construed to require Beneficiary or Trustee to incur any expenses, make any appearances or take any other actions.

1.10 Damage and Destruction. Notwithstanding anything contained herein to the contrary, if any part of the Property is damaged or destroyed by any means, including without limitation by flood, earthquake, wind or fire, Trustor shall promptly restore the Property to its prior undamaged condition. Trustor shall deliver to Beneficiary promptly upon Trustor's receipt any insurance proceeds received by Trustor as a result of damage or destruction of the Property. Any insurance proceeds received by Beneficiary under any property or casualty insurance policy may at Beneficiary's election, to be made in Beneficiary's sole discretion, (i) be applied by Beneficiary upon any Obligations secured hereby and in such order as Beneficiary may determine in its sole discretion, or (ii) be made available to Trustor to defray the cost of restoring the Property subject to satisfaction of such conditions a Beneficiary may impose in Beneficiary's sole discretion. Any application of insurance proceeds to the Obligations secured hereby shall not be construed to cure or waive any Event of Default or invalidate any acts of Beneficiary or Trustee arising out of such Event of Default.

1.11 Condemnation. Trustor shall deliver to Beneficiary promptly upon Trustor's receipt all compensation, awards and other payments in connection with any taking of all or any portion of the Property, and any proceeds of any related settlement regardless of whether eminent domain proceedings are instituted (collectively, the "**Compensation**"). Any Compensation and related settlement proceeds received by Beneficiary may, at Beneficiary's election, to be made in Beneficiary's sole discretion, (i) be applied upon any Obligations secured hereby and in such order as Beneficiary may determine in its sole discretion, or (ii) if Beneficiary determines that restoration is economically feasible, be made available to Trustor to defray the cost of restoring the Property subject to satisfaction of such conditions as Beneficiary may impose in Beneficiary's sole discretion. Any application of Compensation to the Obligations secured hereby shall not be construed to cure or waive any Event of Default or invalidate any acts of Beneficiary or Trustee arising out of such Event of Default.

1.12 Exculpation; Indemnification.

1.12.1 Trustor hereby agrees to indemnify Trustee and Beneficiary against, and hold them harmless from, all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title, cost of evidence of value and other expenses which either may suffer or incur (a) by reason of this Deed of Trust, (b) by reason of the execution of this trust or in performance of any act required or permitted hereunder or by law, (c) as a result of any failure of Trustor to perform Trustor's obligations or (d) by reason of any alleged obligation or undertaking on Beneficiary's part to perform or discharge any of the representations, warranties, conditions,



BK-1107
PG-5185

covenants or other obligations contained in any other document related to the Property. Notwithstanding the foregoing, Trustor shall not be liable under this Section 1.13.1 (as to the party who was grossly negligent or committed willful misconduct), to the extent Trustor establishes that such liability is attributable solely and directly to the gross negligence or willful misconduct of Trustee or Beneficiary, as the case may be.

1.12.2 Trustor shall pay all indebtedness arising under this Section 1.13 immediately upon demand by Trustee or Beneficiary together with interest thereon from the date the indebtedness arises at the Interest Rate (as defined in the Note). Trustor's duty to indemnify Trustee and Beneficiary shall survive the release and cancellation of the Obligations and the release and reconveyance or any partial release or reconveyance of this Deed of Trust.

1.13 Payment of Expenses. Promptly upon demand, from time to time, Trustor shall pay Beneficiary's out-of-pocket costs and expenses incurred in connection with the exercise of any of its rights or remedies under this Deed of Trust, including but not limited to title insurance and escrow charges, appraisal fees, reappraisal and review appraisal fees, recording charges and mortgage taxes, legal fees and disbursements, costs of environmental inspections and reports, and other reasonable fees and costs for services which are not customarily performed by Beneficiary's salaried employees and are not specifically covered by Beneficiary's fees for the Loan. The provisions of this section shall survive the termination of this Deed of Trust and the repayment of the Loan.

1.14 Change in Entity. Trustor shall not amend or modify, or permit any amendment or modification of its organizational documents during the term of the Loan, without the prior written consent of Beneficiary, not to be unreasonably withheld.

1.15 Hazardous or Toxic Materials.

1.15.1 Except as disclosed in writing to Beneficiary on or before the date hereof and approved by Beneficiary in writing, Trustor represents, warrants and covenants that no portion of the Property is being used for the disposal, storage, treatment, processing, generation, release or other handling of Hazardous Materials and that the Property and Trustor are not in violation of, or subject to any existing, pending or threatened investigation by any governmental authority under, any federal, state or local law, statute, ordinance, regulation, rule order or other governmental promulgation pertaining to health, safety, industrial hygiene, "wetlands," endangered species or the environment (collectively referred to as "*Environmental Laws*"). Trustor shall comply with all Environmental Laws applicable to the Property and/or Trustor's use thereof. Trustor's intended use of the Property shall not result in the disposal or release of any Hazardous Material on or about the Property.

1.15.2 If Trustor breaches the obligations hereunder to comply with Environmental Laws or keep the Property and adjacent properties free of Hazardous Material (irrespective of whether such Hazardous Material was present on the Property without the knowledge of Trustor), or if the presence of Hazardous Material on, in or beneath the Property was caused or permitted by Trustor, Trustor shall notify Beneficiary and shall at its sole cost perform all investigation, clean-up and other response actions in



accordance with Environmental Laws and as may be required by any governmental authority.

1.15.3 Trustor shall defend, protect, indemnify and hold Beneficiary harmless from all costs, claims, liens, orders, governmental directives, damages (including, without limitation, natural resource damages), judgments, losses, demands, actions, causes of action, proceedings or hearings, including without limitation Beneficiary's attorneys' fees and costs, relating to any violation of the Environmental Laws, or the transport, storage, placement, discharge, use, generation, release, handling or existence of Hazardous Material on, from or about the Property, including but not limited to (a) all costs of investigation, clean-up or other response actions of or at the Property or adjoining properties or alterations to the Improvements; and (b) any diminution in the fair market value of the Property and the Improvements or adjoining properties. The foregoing provisions shall survive (a) any sale or other transfer of all or part of the Property or (b) the termination and release of this Deed of Trust and the discharge of Trustor's other obligations hereunder.

1.15.4 Trustor hereby grants to Beneficiary, or its designated agents, if either (i) Beneficiary has reasonable cause to believe that the Property is not in compliance in all material respects with Environmental Laws, or (ii) an Event of Default has occurred and is continuing which has not been cured during any cure period (if any) relating thereto, the right to enter on and upon the Property at any time and from time to time for the purpose of making such audit tests, inspections and examinations, including subsurface exploration and testing, as Beneficiary, in its sole discretion, deems necessary, convenient or proper to determine whether the ownership, use and operation of the Property and the conduct of the activities engaged in thereon are in compliance with Environmental Laws. Beneficiary, or its designated agents, shall have the right to inspect and copy all of Trustor's records relating to environmental matters and to enter all buildings or facilities of Trustor for such purpose. All of the costs and expenses incurred by Beneficiary with respect to the audits, tests, inspections and examinations that Beneficiary may conduct, including the fees of the engineers, laboratories and contractors, shall be paid by Trustor. Beneficiary may, but shall not be required to, advance such cost and expenses on behalf of Trustor. All sums so advanced shall bear interest at the Interest Rate.

1.15.5 For purposes of this section, "**Hazardous Material**" means any environmentally damaging, hazardous, toxic or radioactive materials, substances or wastes, including without limitation the following:

1.15.5.1 those materials, substances or wastes included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "hazardous waste," "regulated substance" or "solid waste" in CERCLA, RCRA and the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., and in the regulations promulgated pursuant to said laws;

1.15.5.2 those materials, substances or wastes defined as "hazardous wastes" in Section 25117 of the California Health & Safety Code, or as "hazardous substances" in Section 25316 of the California Health & Safety Code, and in the regulations promulgated pursuant to said laws;



1.15.5.3 those materials, substances or wastes listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302 and amendments thereto);

1.15.5.4 those materials, substances or wastes defined, listed or identified as a "hazardous material," "extremely hazardous material," "hazardous waste," "extremely hazardous waste" or "toxic waste" pursuant to Chapters 10 or 11 of Division 4.5 of Title 22 of the California Code of Regulations;

1.15.5.5 petroleum, its distillates, by-products and fractions;

1.15.5.6 asbestos; and

1.15.5.7 such other materials, substances or wastes which are or become regulated under any applicable Environmental Laws, which are classified as hazardous or toxic.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. Section 9601, et seq., as the same may be amended from time to time.

"RCRA" means the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901, et seq., as the same may be amended from time to time.

1.15.6 The time limitations for commencement of actions for any claims arising under any Environmental Laws or under this Deed of Trust or any other agreement between the parties hereto, which result from, arise out of or relate to the use, transportation, storage, disposal, discharge or release of any Hazardous Material at, in, from, on to, under or emanating out of the Property or which arise out of, relate to or result from the use, transportation, treatment, storage, disposal, discharge (including any leaking, pumping, pouring, emitting, emptying or spilling) or release of Hazardous Materials at, in, on to or under the Property, or any property contiguous to the Property, by Trustor, its agents, employees, contractors or invitees shall be extended for a period of four (4) years from the date of expiration of the time limit for commencement of such claims. Trustor further agrees to provide Beneficiary, on or before 90 days prior to the expiration of the four (4) year period commencing on the date of execution of this Deed of Trust or any renewal of this provision, a fully executed written agreement renewing the provisions of this subsection for an additional four (4) year period. Any delay or failure by Beneficiary to demand such renewal agreement shall not be construed as a waiver of Trustor's obligations hereunder. Any breach of the provisions of this subsection shall constitute a material breach and default under the terms of this Deed of Trust.

1.15.7 The rights of Trustee and Beneficiary, and the obligations of Trustor, under this Section 1.16 shall be in addition to any other rights and obligations, respectively, created or imposed by any Environmental Laws.



ARTICLE 2

SECURITY AGREEMENT

2.1 Grant of Security. To secure prompt and complete performance of the Obligations, Trustor grants Beneficiary a security interest in such of the Property as constitutes personal property under the Code ("**Personal Property**").

2.2 Representations, Warranties and Covenants. Trustor hereby represents, warrants and covenants to Beneficiary that:

2.2.1 Except for the security interest created hereunder or as disclosed to Beneficiary in a writing that expressly references this warranty, Trustor is (and, with respect to after-acquired property, will be as of the date of acquisition) the full legal and equitable owner of the Personal Property and no other person or entity has or will have any right, title, interest, lien or claim in, on or to the Personal Property or any part thereof. Trustor, at its cost, shall defend any proceeding that may affect the title to or Beneficiary's security interest in any Personal Property and shall indemnify, defend, protect and hold Beneficiary harmless from all costs and expenses of Beneficiary's defense.

2.2.2 Any tangible Personal Property is (and, with respect to after-acquired property, will be as of the date of acquisition) located on the Real Property. Without the prior written consent of Beneficiary, except as permitted by the Loan Agreement, Trustor shall not cause or suffer any of such Personal Property to be removed from the Real Property.

2.2.3 Upon the filing of a financing statement with the California Secretary of State describing the Personal Property, the security interest created hereunder shall constitute a first priority security interest in the Personal Property.

2.3 Waiver of Rights. Trustor waives any right to require Beneficiary to proceed first against any person or particular part of the Property, or exhaust or pursue any particular remedy that may be available to Beneficiary. Trustor waives any right of subrogation or other right to the benefit of, or any right to participate in, or direct the disposition of any of the Property or any other security now or hereafter held by Beneficiary.

2.4 Security Agreement; Fixture Filing. This Deed of Trust constitutes a security agreement under the California Uniform Commercial Code, and Beneficiary shall have all the rights of a secured party thereunder. Pursuant to the foregoing terms and conditions, Trustor has granted to Beneficiary a security interest in and to certain personal property to be incorporated into the Improvements, some of which may become fixtures on the Improvements.

This Deed of Trust constitutes a fixture filing under the applicable sections of the California Uniform Commercial Code.



ARTICLE 3

DEFAULT

3.1 Event of Default. An "*Event of Default*" shall be deemed to have occurred if: (i) there is a breach or default by Trustor under any Loan Documents; or (ii) any representation or warranty made by Trustor in any Loan Document shall be untrue in any material respect.

ARTICLE 4

REMEDIES

4.1 List of Remedies. At any time following any Event of Default, Beneficiary may, at its option, and without notice to or demand upon Trustor:

4.1.1 Enter onto the Property, in person or by agent or by court appointed receiver, and take any and all steps which may be desirable in Beneficiary's judgment to complete any unfinished construction and to manage, operate, preserve, develop, maintain and protect the Property;

4.1.2 Cause Trustor to assemble any Personal Property and deliver it to Beneficiary at a place designated by Beneficiary;

4.1.3 Bring a court action to foreclose this Deed of Trust or to enforce its provisions or any of the indebtedness or obligations secured by this Deed of Trust;

4.1.4 Cause any or all of the Property to be sold under the power of sale granted by this Deed of Trust in any manner permitted by applicable law; or

4.1.5 Exercise any other right or remedy available under any of the Loan Documents or otherwise available under law or in equity, including without limitation, rights and remedies with respect to the Personal Property that are available to a secured party under the California Uniform Commercial Code.

4.2 Sale of Property. For any sale under the power of sale granted by this Deed of Trust, Beneficiary or Trustee must record and give all notices required by law and then, upon the expiration of such time as is required by law, Trustee may sell the Property upon any terms and conditions specified by Beneficiary and permitted by applicable law. Trustee may postpone any sale by public announcement at the time and place noticed for the sale. If the Property consists of several lots or parcels, Beneficiary in its discretion may designate their order of sale or may elect to sell them through a single sale, or through two or more successive sales, or in any other manner Beneficiary may elect. In the event Beneficiary elects to dispose of the Property through more than one sale, Trustor shall pay the costs and expenses of each such sale and of any judicial proceedings wherein the same may be made. Any person, including Trustor, Trustee and Beneficiary, may purchase at any sale, and Beneficiary shall have the right to purchase at any sale hereunder by crediting upon the bid price the amount of all or any part of the indebtedness secured hereby. Upon the sale, Trustee shall execute and deliver to the purchaser or purchasers a deed or deeds



conveying the property sold, but without any covenant or warranty, express or implied, and the recitals in the deed or deeds of any facts affecting the regularity or validity of the sale shall be conclusive against all persons.

4.3 Application of Proceeds. The proceeds of any sale under this Deed of Trust shall be applied in the following manner:

4.3.1 FIRST: Payment of the costs and expenses of the sale, including but not limited to Trustee's fees, legal fees and disbursements, title charges and transfer taxes, and payment of all expenses, liabilities and advances of Trustee, together with interest on all advances made by Trustee at the maximum rate permitted to be charged by Trustee under applicable law.

4.3.2 SECOND: Payment of all sums expended by Beneficiary under the terms of this Deed of Trust and not yet repaid, together with interest on such sums at the Interest Rate.

4.3.3 THIRD: Payment of the entire Obligations secured by this Deed of Trust, in any order that Beneficiary chooses.

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

4.4 Waiver of Rights. Trustor waives all rights to direct the order in which any of the Property shall be sold in the event of any sale under this Deed of Trust, and also any right to have any of the Property marshaled upon any sale.

4.5 Remedies are Cumulative. All remedies contained in this Deed of Trust are cumulative, and Beneficiary also has all other remedies provided by law, in equity or in any other agreement between Trustor and Beneficiary. No delay or failure by Beneficiary to exercise any right or remedy under this Deed of Trust shall be construed to be a waiver of that right or remedy or of any default by Trustor. Beneficiary may exercise any one or more of its rights and remedies at its option without regard to the adequacy of its security.

4.6 Payment of Expenses. Trustor shall pay all of Beneficiary's and Trustee's expenses incurred in any efforts to enforce any terms of this Deed of Trust, whether or not any lawsuit is filed, including but not limited to legal fees and disbursements, foreclosure costs, escrow fees, filing fees, recording fees and title charges.

4.7 No Cure or Waiver. Neither Beneficiary's nor Trustee's nor any receiver's entry upon and taking possession of all or any part of the Property, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Obligation, nor the exercise of any other right or remedy by Beneficiary or Trustee or any receiver shall cure or waive any breach or default under this Deed of Trust or Event of Default, or nullify the effect of any notice of default or sale (unless all Obligations then due have been paid and performed and Trustor has cured all other defaults), or impair the status of the security, or prejudice Beneficiary or Trustee in the exercise of any right or



BK-1107
PG-5191

remedy, or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of this Deed of Trust.

4.8 Power to File Notices and Cure Defaults. Trustor hereby irrevocably appoints Beneficiary and its successors and assigns as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and record any notices of completion, cessation of labor or any other notices that Beneficiary deems appropriate to protect Beneficiary's interest and (b) upon the occurrence of any Event of Default, Beneficiary may perform any obligation of Trustor hereunder; provided, that (i) Beneficiary, as such attorney-in-fact, shall only be accountable for such funds as are actually received by Beneficiary; and (ii) Beneficiary shall not be liable to Trustor or any other person or entity for any failure to act under this section.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF TRUSTOR

5.1 Representations and Warranties of Trustor. Trustor hereby represents, warrants, and covenants to Beneficiary as follows:

5.1.1 Trustor is a duly organized and validly existing limited partnership under the laws of the State of California and is duly qualified to do business in the State of California;

5.1.2 Trustor has the requisite power and authority to own, develop, manage, lease, and sell its properties, to carry on its business as now being conducted and to own, develop and operate the Property;

5.1.3 Trustor is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it;

5.1.4 The execution, delivery and performance by Trustor of its obligations under this Deed of Trust (i) are within the power of Trustor, (ii) have been duly authorized by all requisite corporate action of Trustor, (iii) have received all necessary governmental approvals, and (iv) shall not violate (a) any provision of law, (b) any order of any court or agency of government, (c) the organizational documents of Trustor, or (d) any agreement or any other instrument to which Trustor is a party or by which Trustor is bound, or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of Trustor's property or assets, except as contemplated by the provisions of the Deed of Trust;

5.1.5 This Deed of Trust, when executed and delivered to Beneficiary, shall constitute a legal, valid and binding obligation enforceable against Trustor in accordance with its terms;

5.1.6 To the best of Trustor's knowledge, all Improvements are permitted by and are consistent with any and all zoning, ecological, environmental and use restrictions



and all other laws and regulations applicable to the Property or the construction of the Improvements.

5.1.7 There are no actions, suits or proceedings pending against Trustor or the Property or threatened against or affecting Trustor or the Property before any governmental agency, except as expressly disclosed by Trustor to Beneficiary in writing prior to the execution of this Deed of Trust.

5.1.8 Trustor has obtained copies of, examined and complied with all conditions, covenants, restrictions, easements, reservations, rights, rights of way and all applicable laws, ordinances, regulations, use permits, occupancy permits, building permits and other requirements affecting or relating to the Property and the Improvements, and has received all necessary approvals, consents, licenses, permits and reports from all governmental agencies with respect to the Property and the Improvements.

5.1.9 Trustor presently uses no trade names other than its actual name. Trustor's principal place of business and chief executive office is located in Walnut Creek, California.

ARTICLE 6

MISCELLANEOUS

6.1 Invalidity. The invalidity or unenforceability of any one or more provisions of this Deed of Trust will in no way affect any other provision.

6.2 Statement. Trustor agrees to pay Beneficiary a reasonable charge, not to exceed the maximum allowed by law, for giving any statement of the status of the obligations secured by this Deed of Trust.

6.3 Notices. All notices given under this Deed of Trust shall be given in the manner provided therefor in the Loan Agreement, and any notice to be given by Beneficiary or Trustee to Trustor may be given to Borrower with the same effect as if given to Trustor. However, the service of any notice of default or notice of sale under this Deed of Trust as required by law will, if mailed, be effective on the date of mailing.

6.4 Rights of Beneficiary to Release Debtors or Security. Without affecting Trustor's liability for the payment of any of the indebtedness secured by this Deed of Trust, Beneficiary may from time to time and without notice to Trustor (a) release any person liable for the payment of such indebtedness, (b) extend or modify the terms of such indebtedness, (c) accept additional real or personal property of any kind as security, or alter, substitute or release any property securing that indebtedness or (d) cause Trustee to consent to the making of any map or plat of the Property, or to reconvey any part of the Property, or to join in granting any easement or creating any restriction on the Property, or to join in any subordination or other agreement affecting this Deed of Trust.

6.5 Inspection Rights. Beneficiary may at any reasonable time enter upon and inspect the Property in person or by agent.



BK-1107
PG-5193

713423 Page: 15 of 32 11/20/2007

6.6 Reconveyance. Upon the payment in full of all sums secured by this Deed of Trust, Beneficiary agrees to request Trustee to reconvey the Property, and upon payment by Trustor of its fees and all other sums owing to it under this Deed of Trust, Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons must pay all costs of recordation. The recitals in the reconveyance of any facts will be conclusive as to all persons. The grantee in the reconveyance may be described as "the person or persons legally entitled thereto."

6.7 California Law. This Deed of Trust and all rights and obligations hereunder shall be governed by and interpreted according to the laws of the State of California.

6.8 Use of Pronouns. The term "Trustor" includes both the original Trustor and any subsequent owner or owners of any of the Property, and the term "Beneficiary" includes the original Beneficiary and also any future owner or holder, including pledges and participants, of the Loan or any interest therein. Whenever the context requires, the singular includes the plural and vice versa and each gender includes each other gender.

6.9 Headings. The headings of the articles and sections of this Deed of Trust are for convenience only and do not limit its provisions.

6.10 Waiver. Neither the acceptance of any partial or delinquent payment or performance nor the failure to exercise any rights upon a default shall be a waiver of Trustor's obligations hereunder. Beneficiary's consent to any act or omission by Trustor will not be a consent to any other or subsequent act or omission or a waiver of the need for such consent in any future or other instance.

6.11 Successors and Assigns. The terms of this Deed of Trust shall bind and benefit heirs, legal representatives, successors and assigns of Trustor and Beneficiary and the successors in trust of Trustee.

6.12 Powers and Duties of Trustee. From time to time upon written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or performance of any obligation secured hereby, Trustee may, without liability therefor and without notice: reconvey all or any part of the Property; consent to the making of any map or plat thereof; join in any grant of easement thereon, any declaration of covenants and restrictions, any extension agreement or any agreement subordinating the lien or charge hereof. Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trusts hereunder and the enforcement of the rights and remedies available hereunder, and may obtain orders or decrees directing or confirming or approving acts in the execution of such trusts and the enforcement of such rights and remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding (including, but not limited to actions in which Trustor, Beneficiary or Trustee shall be a party) unless held or commenced and maintained by Trustee under this Deed of Trust. Trustee shall not be obligated to perform any act required of it hereunder unless the performance of the act is requested in writing and Trustee is reasonably indemnified against loss, cost, liability and expense.



6.13 Removal of Trustee. Beneficiary may remove Trustee or any successor Trustee at any time or times and appoint a successor Trustee by recording a written substitution in the county where the real property covered by this Deed of Trust is located, or in any other manner permitted by law. Upon that appointment, all of the powers, rights and authority of Trustee will immediately become vested in its successor.

6.14 Subrogation. Beneficiary shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Beneficiary pursuant to this Deed of Trust or by the proceeds of any loan secured by this Deed of Trust.

6.15 Statutes of Limitation. Trustor hereby waives the pleading of any and all statutes of limitation as a defense to any action brought against Trustor by Beneficiary, to the fullest extent permitted by law.

6.16 Construction Deed of Trust. This Deed of Trust secures an obligation incurred for the construction of improvements on the Real Property conveyed herein and constitutes a "construction mortgage" within the meaning of Section 9-334(h) of the California Uniform Commercial Code. The proceeds of the Loan secured hereby are to be disbursed by Beneficiary to Trustor in accordance with the provisions contained in the Note. All advances and indebtedness arising and accruing under the Note from time to time, shall be secured hereby to the same extent as though the Note were fully incorporated in this Deed of Trust.

6.17 Time of the Essence. Time is of the essence as to all obligations under this Deed of Trust.

6.18 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

REQUEST FOR NOTICES

Trustor requests that a copy of any notice of default and notice of sale required by law be mailed to it at the address set forth in the introductory paragraph.

[signature appears on next page]



IN WITNESS WHEREOF, the Trustor has executed this Deed of Trust as of November 15, 2007.

DAVIDON DEVELOPMENT CORP.,
a Nevada corporation

By: Donald Chaiken

Name: DONALD CHAIKEN

Title: PRESIDENT

COPY

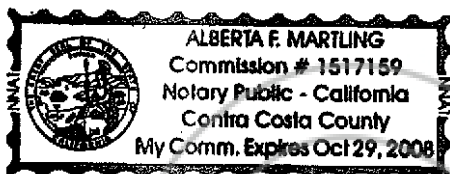


STATE OF CALIFORNIA)
) ss:
COUNTY OF Contra Costa)

On Nov. 15, 2007, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Donald Chaiken, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Alberta F. Martling
Notary Public
Alberta F. Martling



BK-1107
PG-5197

EXHIBIT "A"

The land referred to herein situate in the State of Nevada, County of Douglas, described as follows:

Lots 1 through 37, inclusive, Open Space 'B', 'D', and 'F', in Block A; Lots 38 through 55, inclusive, Open Space 'H', in Block C; and Lots 56 through 69, inclusive, Open Space 'G', in Block D, and Open Space 'E' in Block B as set forth on Final Subdivision Map A Planned Development PD 05-001 for SUMMIT RIDGE AT GENOA LAKES GOLF RESORT PHASE 3A, filed for record with the Douglas County Recorder on September 12, 2007 in Book 0907 at page 2074, as Document No. 0709043, Official Records, Douglas County, Nevada.

APN's 1419-26-510-001 through 012; inclusive
1419-26-610-001 through 036; inclusive
1419-26-711-002 through 011; inclusive
1419-26-711-013 through 029; inclusive

LEGAL DESCRIPTION 2:

A parcel of land located within a portion of Section 26, Township 14 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

Adjusted Parcel 17 as set forth on that certain Record of Survey to Support a Boundary Line Adjustment for GENOA LAND INVESTORS, LLC., MDA ENTERPRISES, INC. AND FOUR CREEKS VISALIA, L.P. filed for record in the office of the Douglas County Recorder on June 12, 2007, Book 0607, Page 3401, Document No. 0702844, Official Records.

APN 1419-26-101-002

Together with that certain non-exclusive private access easement as described below:

DESCRIPTION EASEMENT #2

50' WIDE NON-EXCLUSIVE PRIVATE EASEMENT

A fifty foot (50') wide easement for access purposes located within a portion of Section 26, Township 14 North, Range 19 East, Mount Diablo Meridian, the centerline of which is more particularly described as follows:

Commencing at a found 5/8" rebar, no tag, a point on the Easterly line of Jacks Valley Road, the Northwesterly corner of Parcel 2 as shown on the Map of Division Into Large Parcels for Little Mondeaux Limousin Corporation recorded July 31, 1992 in the office of Recorder, Douglas County, Nevada, as Document No. 284936, said point bears South 32°55'56" West, 2868.09 feet from the Southwest corner of Section 26, T.14N., R.19E., M.D.M.; thence along said Easterly line of Jacks Valley Road North 21°17'11" East, 5624.78 feet to the POINT OF BEGINNING; thence South 57°24'21" East, 901.15 feet; thence along the arc of a curve to the right having a radius of 100.00 feet, central angle of 57°24'26", arc length of 100.19 feet, and chord bearing South 28°42'10" East; thence South,



BK-1107
PG-5198

163.85 feet; thence along the arc of a curve to the left having a radius of 100.00 feet, central angle of 59°14'14", arc length of 103.39 feet, and chord bearing South 29°37'07" East; thence South 59°14'14" East, 87.62 feet; thence South 57°20'21" East, 299.51 feet; thence along the arc of a curve to the left having a radius of 95.00 feet, central angle of 98°13'48", arc length of 162.87 feet, and chord bearing North 73°32'45" East; thence North 24°25'51" East, 166.00 feet; thence along the arc of a curve to the right having a radius of 75.00 feet, central angle of 34°48'01", arc length of 45.55 feet, and chord bearing North 41°49'51" East; thence North 59°13'52" East, 94.39 feet; thence along the arc of a curve to the right having a radius of 75.00 feet, central angle of 55°06'44", arc length of 72.14 feet, and chord bearing North 86°47'14" East; thence South 65°39'24" East, 403.40 feet; thence North 24°52'01" East, 62.44 feet; thence North 19°23'04" East, 165.42 feet; thence North 03°46'32" West, 200.60 feet to the terminus of this description.

The Basis of Bearing of this description is North 89°23'01" East, the North line of the Northeast one-quarter (NE 1/4) of Section 26, T.14N., R.19E., M.D.M. per Map of Division Into Large Parcels for Little Mondeaux Limousin Corporation recorded July 31, 1992 as Document No. 284936.

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JULY 10, 2007, BOOK 0707, PAGE 2858, AS FILE NO. 0704796, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

AND TOGETHER WITH that certain non-exclusive private access easement as described below:

DESCRIPTION EASEMENT #0S7

50' WIDE NON-EXCLUSIVE PRIVATE ACCESS EASEMENT (OVER PARCEL 16, A.P.N. 1419-26-001-014)

A fifty-foot (50') wide strip of land for non-exclusive private access purposes located within a portion of Section 26, Township 14 North, Range 19 East, Mount Diablo Meridian, lying 25 feet (25') on both sides of the following described centerline:

Commencing at the most easterly corner of Parcel 16 as shown on the Record of Survey to Support a Boundary Line Adjustment for Little Mondeaux Limousin Corporation recorded November 19, 2001 in the office of Recorder, Douglas County, Nevada as Document No. 528042;

thence along the northeasterly line of said Parcel 16, North 58°31'29" West, 25.01 feet to the POINT OF BEGINNING; thence along a line 25 feet westerly of and parallel with the easterly line of said Parcel 16, the following courses:

South 33°08'03" West, 168.54 feet;
South 19°17'56" West, 192.13 feet;
South 06°55'50" West, 142.07 feet;
South 04°16'47" East, 148.06 feet;
South 08°17'50" West, 159.03 feet;
South 27°18'20" West, 270.10 feet;



South 38°59'28" West, 89.85 feet to a point on the southerly line of said Parcel 16, the TERMINUS of this description.

The sidelines of the above described strip of land shall be extended and shortened to terminate at said northeasterly line of Parcel 16 and said southerly line of Parcel 16. The Basis of Bearing of this description is North 89°23'01" East, the north line of the Northeast one-quarter (NE 1/4) of Section 26, Township 14 North, Range 19 East, M.D.M. per Map of Division Into Large Parcels for Little Mondeaux Limousin Corporation recorded July 31, 1992 as Document No. 284936.

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED FEBRUARY 3, 2004, BOOK 0204, PAGE 882, AS FILE NO. 0603677, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

LEGAL DESCRIPTION 3:

Adjusted Parcel 16 as set forth on that certain Record of Survey to Support a Boundary Line Adjustment for GENOA LAND INVESTORS, LLC, MDA ENTERPRISES, INC. AND FOUR CREEKS VISALIA, L.P. filed for record in the office of the Douglas County Recorder on June 12, 2007, Book 0607 Page 3401, Document No. 0702844, Official Records.

APN 1419-26-101-003

DESCRIPTION EASEMENT #2

Together with that certain non-exclusive private access easement as described below:

50'WIDE NON-EXCLUSIVE PRIVATE EASEMENT A fifty foot (50') wide easement for access purposes located within a portion of Section 26, Township 14 North, Range 19 East, Mount Diablo Meridian, the centerline of which is more particularly described as follows:

Commencing at a found 5/8" rebar, no tag, a point on the Easterly line of Jacks Valley Road, the Northwestern corner of Parcel 2 as shown on the Map of Division Into Large Parcels for Little Mondeaux Limousin Corporation recorded July 31, 1992 in the office of Recorder, Douglas County, Nevada, as Document No. 284936, said point bears South 32°55'56" West, 2868.09 feet from the Southwest corner of Section 26, T.14N., R.19E., M.D.M.; thence along said Easterly line of Jacks Valley Road North 21°17'11" East, 5624.78 feet to the POINT OF BEGINNING; thence South 57°24'21" East, 901.15 feet; thence along the arc of a curve to the right having a radius of 100.00 feet, central angle of 57°24'26", arc length of 100.19 feet, and chord bearing South 28°42'10" East; thence South, 163.85 feet; thence along the arc of a curve to the left having a radius of 100.00 feet, central angle of 59°14'14", arc length of 103.39 feet, and chord bearing South 29°37'07" East; thence South 59°14'14" East, 87.62 feet; thence South 57°20'21" East, 299.51 feet; thence along the arc of a curve to the left having a radius of 95.00 feet, central angle of 98°13'48", arc length of 162.87 feet, and chord bearing North 73°32'45" East; thence North 24°25'51" East, 166.00 feet; thence along the arc of a curve to the right having a radius of 75.00 feet, central angle of 34°48'01", arc length of 45.55 feet, and chord bearing North 41°49'51" East; thence North 59°13'52" East, 94.39 feet; thence along the arc of a curve to the right having a radius of 75.00 feet, central angle



BK-1107
PG-5200

of 55°06'44", arc length of 72.14 feet, and chord bearing North 86°47'14" East; thence South 65°39'24" East, 403.40 feet; thence North 24°52'01" East, 62.44 feet; thence North 19°23'04" East, 165.42 feet; thence North 03°46'32" West, 200.60 feet to the terminus of this description.

The Basis of Bearing of this description is North 89°23'01" East, the North line of the Northeast one-quarter (NE 1/4) of Section 26, T.14N., R.19E., M.D.M. per Map of Division Into Large Parcels for Little Mondeaux Limousin Corporation recorded July 31, 1992 as Document No. 284936.

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JULY 10, 2007, BOOK 0707, PAGE 2858, AS FILE NO. 0704796, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

TOGETHER WITH a Grant of Slope Easement as set forth and described in document recorded November 7, 2005 in Book 1105, Page 3092, as Document No. 0660088, Official Records Douglas County, Nevada, for the benefit of Legal Descriptions 1,2 and 3.

ALSO TOGETHER WITH a temporary non-exclusive easement for private access over, across and through the Easement Area for the purposes of constructing, installing, maintaining, repairing and replacing a private roadway in the Easement Area, and so forth, created in that certain document entitle "Grant of Easement", executed by MDA Enterprises, Inc., recorded May 1, 2006 in Book 0506, Page 168, as Document No. 0673811, Official Records of Douglas County, Nevada, for the benefit of Canyon Creek Meadows, Phase 1, Adjusted Remainder Parcels 1 and 2, and Adjusted Parcels 16, 17 and 19.

ALSO TOGETHER WITH perpetual non-exclusive easements (i) for private access and (ii) for public utilities over, across and through the Easement Area for the purposes of constructing, installing, maintaining, repairing and replacing a private roadway and public utilities in the Easement Area, and so forth, created in that certain document entitled "Grant of Easements", executed by MDA Enterprises, Inc., recorded May 1, 2006 in Book 0506, Page 347, as Document No. 0673835, Official Records of Douglas County, Nevada, for the benefit of Canyon Creeks Meadows, Phase 1, Adjusted Remainder Parcels 1 and 2, and Adjusted Parcels 14, 16, 17 and 19.

ALSO TOGETHER WITH easements granted for the right, at any time, to enter upon the Easement Area for the purposes of constructing, installing, maintaining, repairing and replacing a private roadway and public utilities in the Easement Area, and so forth, created in that certain document entitled "Grant of Easements" recorded May 1, 2006 in Book 0506, Page 377, as Document No. 0673836, Official Records of Douglas County, Nevada, for the benefit of Adjusted Parcels 13, 16, 17 and 19.

ALSO TOGETHER WITH easements granted for the rights of access and storm drainage upon the Easement Area as set forth in document entitled "Grant of Slope and Private Drainage Easements and Temporary License" recorded July 9, 2007 as Document No. 704686, Official Records of Douglas County, Nevada for the benefit of Adjusted Parcels 13, 16 & 17.



BK-1107
PG-5201

ALSO TOGETHER WITH easements granted for the rights of maintenance, repair and replacement of storm drainage improvements within the Easement Area as set forth in document entitled "Grant of Storm Drainage Easements and Temporary License" recorded July 9, 2007 as Document No. 704705, Official Records of Douglas County, Nevada for the benefit of Adjusted Parcels 1 and 13.

ALSO TOGETHER WITH easements granted for the limited purpose of maintaining, repairing or replacing any slopes located on the Easement Area as set forth in document entitled "Grant of Slope Easement and Temporary License" recorded July 9, 2007 as Document No. 704706, Official Records of Douglas County, Nevada for the benefit of Adjusted Parcel 1.

DRAFT



Exhibit B

12. (A) Any and all ditches, pipes and pipe lines, conduits, transmission lines, poles, roads, trails, and fences on or traversing said land.
13. (F) An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Purpose : 50 foot non-exclusive private access easement #1
: and #2 across subject land
Recorded : DECEMBER 31, 1996
: in Book 1296, Page 4911, as Document No. 403934,
: Official Records of Douglas County, Nevada.

(AFFECTS ADJUSTED PARCEL 17)

NOTE: FOR INFORMATIONAL PURPOSES ONLY:

Abandonment of a Portion of Private Access Easement (#OS8)
as set forth by document
Recorded : FEBRUARY 3, 2004
: in Book 0204, Page 897, as Document No. 0603678,
: Official Records of Douglas County, Nevada
Affects : Portion of Access Easement #1

14. (N1) Easements, dedications, reservations, provisions, relinquishments, recitals, building set back lines, certificates, and any other matters as provided for or delineated on the Subdivision Map of Canyon Creek Meadows Phase I, Document No. 604356 referenced in the legal description contained herein.

Reference is hereby made to said Subdivision Map for particulars. If one is not included herewith, one will be furnished upon request.

(Affects Adjusted Remainder Parcel 1 and Canyon Creek Meadows Phase I)

15. (O) An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to : DOUGLAS COUNTY, a political subdivision of the
Continued on next page



BK-1107
PG-5203

Purpose : State of Nevada
Recorded : Grant of sanitary sewer easement (#OS1)
Recorded : FEBRUARY 3, 2004
Recorded : in Book 0204, Page 781, as Document No. 0603671,
Recorded : Official Records of Douglas County, Nevada.
Affects : A portion of Adjusted Parcels 16 and 17.

16. (II) An easement affecting a portion of said land for the purposes stated herein, together with incidental rights thereto,
Granted to : LITTLE MONDEAUX LIMOUSIN CORPORATION
Purpose : Grant of 50 foot non-exclusive private
Purpose : access easement (#OS7)
Recorded : FEBRUARY 3, 2004
Recorded : in Book 0204, Page 882, as Document No. 0603677,
Recorded : Official Records of Douglas County, Nevada.
Affects : Parcel 16 for the benefit of Parcel 17

17. Deed Restriction upon the terms and conditions contained therein Restriction
Recorded : FEBRUARY 11, 2004
Recorded : in Book 0204, Page 4471, as Document No. 0604357,
Recorded : Official Records of Douglas County, Nevada.

(AFFECTS ADJUSTED REMAINDER PARCEL 1)

18. Douglas County Security and Improvement Agreement
Recorded : FEBRUARY 19, 2004
Recorded : in Book 0204, Page 8298, as Document No. 0605126,
Recorded : Official Records of Douglas County, Nevada

(AFFECTS ADJUSTED REMAINDER PARCEL 1)

19. Terms and conditions as contained in a Declaration Establishing Reciprocal Covenants and Easements (Domestic Water & Sanitary Sewer Systems)
Dated : AUGUST 5, 2004
By & Between : JAMES CANYON LLC, a Nevada limited liability
By & Between : company and LITTLE MONDEAUX LIMOUSIN CORPORATION,
By & Between : a Nevada corporation
Recorded : AUGUST 6, 2004

Continued on next page



BK-1107
PG-5204

: in Book 0804, Page 2248, as Document No. 0620761,
: Official Records of Douglas County, Nevada

(Easement disclosed as MML is the only easement affecting
subject property)

20. (NN1, 001, PP1, QQ1) Terms and conditions as contained in a
Declaration Establishing Reciprocal Covenants and Easements
(Storm Drainage System)
Dated : AUGUST 5, 2004
By & Between : JAMES CANYON LLC, a Nevada limited liability
: company and LITTLE MONDEAUX LIMOUSIN CORPORATION,
: a Nevada corporation
Recorded : AUGUST 6, 2004
: in Book 0804, Page 2293, as Document No. 0620762,
: Official Records of Douglas County, Nevada
21. (MML) A Temporary Septic System Easement Agreement, upon the
terms and conditions contained therein,
Dated : AUGUST 10, 2004
By & Between : LITTLE MONDEAUX LIMOUSIN CORPORATION, a Nevada
: corporation and JAMES CANYON, LLC, a Nevada limited
: liability company
Recorded : AUGUST 12, 2004
: in Book 0804, Page 4808, as Document No. 0621280,
: Official Records of Douglas County, Nevada
- (AFFECTS ADJUSTED REMAINDER PARCEL 1)
22. Memorandum of Operational and Maintenance Obligations, upon
the terms and conditions contained therein,
Dated : AUGUST 10, 2004
By & Between : GENOA GOLF INVESTORS, LLC, a Nevada limited
: liability company, GENOA DEVELOPER ASSOCIATES, LLC,
: a Nevada limited liability company, GENOA LAND
: INVESTORS, LLC, a Nevada limited liability company,
: LITTLE MONDEAUX LIMOUSIN CORPORATION, a Nevada
: corporation, and JAMES CANYON, LLC, a Nevada limited
: liability company
Recorded : AUGUST 12, 2004
: in Book 0804, Page 5017, as Document No. 0621290,
Continued on next page



BK-1107
PG-5205

: Official Records of Douglas County, Nevada

23. Memorandum of Obligations Regarding Amenity Facilities,
upon the terms and conditions contained therein,
Dated : AUGUST 10, 2004
By & Between : GENOA DEVELOPER ASSOCIATES, LLC, a Nevada limited
: liability company, GENOA GOLF INVESTORS, LLC, a
: Nevada limited liability company, LITTLE MONDEAUX
: LIMOUSIN CORPORATION, a Nevada corporation, and
: JAMES CANYON, LLC, a Nevada limited liability
: company
Recorded : AUGUST 12, 2004
: in Book 0804, Page 5030, as Document No. 0621291,
: Official Records of Douglas County, Nevada

24. Shared Facilities and Easement Agreement made and entered
into as of the 10th day of August, 2004, by and among JAMES
CANYON LLC, a Nevada limited liability company, GENOA
DEVELOPER ASSOCIATES, LLC, a Nevada limited liability
company, GENOA LAND INVESTORS, LLC, a Nevada limited
liability company, GENOA GOLF INVESTORS, LLC, a Nevada
limited liability company, LITTLE MONDEAUX LIMOUSIN
CORPORATION, a Nevada corporation, CANYON CREEK ESTATES
HOMEOWNERS ASSOCIATION, a Nevada non-profit corporation,
and CANYON CREEK MEADOWS HOMEOWNERS ASSOCIATION, a Nevada
non-profit corporation, upon the terms and conditions
contained therein,
Recorded : AUGUST 12, 2004
: in Book 0804, Page 5042, as Document No. 0621292,
: Official Records of Douglas County, Nevada

Status of Assessments Under Shared Facilities Agreement,
upon the terms and conditions contained therein

- Recorded : NOVEMBER 7, 2005
: in Book 1105, Page 3174, as Document No. 660104,
: Official Records of DOUGLAS County, Nevada
Recorded : NOVEMBER 17, 2005
: in Book 1105, Page 7650, as Document No. 0660929,
: Official Records of DOUGLAS County, Nevada

Continued on next page



BK-1107
PG-5206

25. Ancillary Easements Memorandum, upon the terms and conditions contained therein by and between GENOA NATIONAL, LLC, and GENOA GOLF INVESTORS, LLC, GENOA DEVELOPER ASSOCIATES AND GENOA LAND INVESTORS, LLC.
Recorded : MARCH 31, 2005
: in Book 0305, Page 14366, as Document No. 0640526,
: Official Records of DOUGLAS County, Nevada
26. Parcel 10 Memorandum upon the terms and conditions contained therein by and between GENOA NATIONAL, LLC, and MDA ENTERPRISES, INC., GENOA GOLF INVESTORS, LLC, GENOA DEVELOPER ASSOCIATES and GENOA LAND INVESTORS, LLC.
Recorded : MARCH 31, 2005
: in Book 0305, Page 14373, as Document No. 0640527,
: Official Records of DOUGLAS County, Nevada

(Affects Canyon Creek Meadows, Phase 1 and Remainder of Parcel 1)

27. Water and Sewer Facilities Agreement (this "Agreement") made as of April 7, 2005, by and among Genoa Golf Investors, LLC, a Nevada limited liability company ("GGI"), Genoa Developer Associates, LLC, a Nevada limited liability company ("GDA"), Genoa Land Investors, LLC, a Nevada limited liability company ("GLI"), James Canyon, LLC, a Nevada limited liability company ("JC"), Little Mondeaux Limousin Corporation, a Nevada corporation ("LM"), and the County of Douglas, State of Nevada ("Douglas County"), upon the terms and conditions contained therein
Recorded : APRIL 12, 2005
: in Book 0405, Page 4350, as Document No. 0641489,
: Official Records of DOUGLAS County, Nevada
28. Certificates, and any other matters as provided for or delineated on the Record of Survey map, #648319 referenced in the legal description contained herein.

Reference is hereby made to said Plat for particulars. If one is not included herewith, one will be furnished upon request.

Continued on next page



BK-1107
PG-5207

29. Agreement Concerning Grant of Easements for Golf Course Irrigation and Facilities, upon the terms and conditions contained therein by and between Genoa Land Investors, LLC, a Nevada limited liability company and MDA Enterprises, Inc., a Nevada corporation

Recorded : NOVEMBER 7, 2005
: in Book 1105, Page 3163, as Document No. 660102,
: Official Records of DOUGLAS County, Nevada

Re-recorded : NOVEMBER 17, 2005
: in Book 1105, Page 7636, as Document No. 0660927,
: Official Records of DOUGLAS County, Nevada.

30. Certificate Concerning Golf Memberships, upon the terms and conditions contained therein by MDA Enterprises, Inc., a Nevada corporation in favor of Genoa Land Investors, LLC, a Nevada limited liability company

Recorded : NOVEMBER 7, 2005
: in Book 1105, Page 3170, as Document No. 660103,
: Official Records of DOUGLAS County, Nevada

Re-recorded : NOVEMBER 17, 2005
: in Book 1105, Page 7645, as Document No. 0660928,
: Official Records of DOUGLAS County, Nevada.



BK-1107
PG-5208

: Official Records of Douglas County, Nevada

31. Reciprocal Parking and Access Easement Agreement dated November 23, 2005 upon the terms and conditions contained therein
Recorded : July 24, 2006
: in Book 0706, Page 8118, as Document No. 680413,
: Official Records of DOUGLAS County, Nevada
32. Certificates, and any other matters as provided for or delineated on the Record of Survey map number 702844 referenced in the legal description contained herein.

Reference is hereby made to said Plat for particulars. If one is not included herewith, one will be furnished upon request.

33. Grant of Temporary Turn-Around Easement and License, upon the terms and conditions contained therein executed by Four Creeks Visalia, L.P.
Recorded : July 9, 2007
: in Book 0707, Page 2287, as Document No. 704683,
: Official Records of Douglas County, Nevada

AFFECTS ADJUSTED PARCEL 17

34. Grant of Temporary Turn-Around Easement and License, upon the terms and conditions contained therein, executed by Four Creeks Visalia, L.P.
Recorded : July 9, 2007
: in Book 0707, Page 2299, as Document No. 704684,
: Official Records of Douglas County, Nevada

AFFECTS ADJUSTED PARCEL 16

35. Grant of Private Access and Public Utility Easement and Temporary License, upon the terms and conditions contained therein, executed by Four Creeks Visalia L.P.
Recorded : July 9, 2007
: in Book 0707, Page 2312, as Document No. 704685,
: Official Records of Douglas County, Nevada

Continued on next page



BK-1107
PG-5209

AFFECTS ADJUSTED PARCEL 16

36. Grant of Slope and Private Storm Drainage Easements and Temporary License, upon the terms and conditions contained therein, executed by MDA Enterprises, Inc. and Four Creeks Visalia, L.P.

Recorded : July 9, 2007
: in Book 0707, Page 2326, as Document No. 704686,
: Official Records of Douglas County, Nevada

AFFECTS ADJUSTED PARCELS 1 AND 13 FOR THE BENEFIT OF
ADJUSTED PARCELS 13, 16 & 17

