

APN: 1318-10-317-001

RECORDING REQUESTED BY:
Stewart Title
#1013256
WHEN RECORDED MAIL TO:

DOC # 733549
11/25/2008 10:36AM Deputy: SG
OFFICIAL RECORD
Requested By:
STEWART TITLE - CARSON
Douglas County - NV
Karen Ellison - Recorder
Page: 1 of 8 Fee: 46.00
BK-1108 PG-4588 RPTT: 0.00



Name Lafayette Financial
Street 1427 Finley lane
City/State/Zip Alamo, CA 94507

Loan No. 584

1013256

(SPACE ABOVE THIS LINE FOR RECORDERS USE)

DEED OF TRUST WITH ASSIGNMENT OF RENTS

This DEED OF TRUST, made on enter date here, between **Dean R. Price**, an unmarried man, TRUSTOR, whose address is **494 Ellis Street, Pasadena CA 91105**
Standard Trust Deed Services Company, Inc., a California Corporation, TRUSTEE, and **Alamo Mortgage Group, Inc.**, BENEFICIARY,
whose address is: C/O Lafayette Financial at 1427 Finley Lane, Alamo, CA 94507

WITNESSETH: That Trustor grants to Trustee in Trust, with Power of Sale, that property in the City of Zepher Cove, NV 89448, County of Douglas, Nevada, described as:

Lot 7, Block E as shown on the Amended Map of Block E Zepher Cove Properties, Inc., in Section 10, Township 13 North, Range 18 East, M.D.B. & M., filed in the office of the County Recorder of Douglas County, Nevada on August 5, 1929, as Document No. 2490.
Assessor Parcel No. 1318-10-317-001

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.


For the Purpose of Securing (1) payment of the sum of \$ 135,000.00 with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated by reference or contained herein or reciting it is so secured; (3) Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the Fictitious Deed of trust recorded in the office of each County Recorder in the State of Nevada on January 30, 1968, in the book and at the page thereof, or under the document or file number, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	DOC. NO.	COUNTY	BOOK	PAGE	DOC. NO.
Churchill	39 Mortgages	363	115384	Lincoln			45902
Clark	850 Off. Rec.		682747	Lyon	37 Off. Rec.	341	100661
Douglas	57 Off. Rec.	115	40050	Mineral	11 Off. Rec.	129	89073
Elko	192 Off. Rec.	652	35747	Nye	105 Off. Rec.	107	04823
Esmeralda	3-X Deeds	195	35922	Ormsby	72 Deeds	537	32867
Eureka	22 Off. Rec.	138	45941	Pershing	11 Off. Rec.	249	66107
Humboldt	28 Off. Rec.	124	131075	Storey	"S" Off. Rec.	206	31506
Lander	24 Off. Rec.	168	50782	Washoe	300 Off. Rec.	517	107192
				White Pine	295 R.E. Records	258	

shall insure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B (identical in all counties, and printed on the reverse side hereof) are by the within reference thereto, incorporated herein and made a part of Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed a reasonable amount.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him/her at this address herein before set forth.

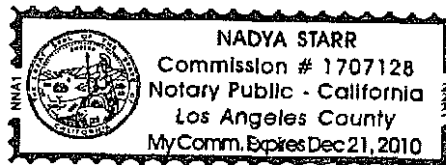
 Dean R. Price
 Dean R. Price

State of California County of Los Angeles

On November 20, 2008 before me, Nadya Starr, Notary Public, the undersigned, a Notary Public for said state, appeared Dean R. Price personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and seal.

Signature Nadya Starr



(NOTARY SEAL)



A. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES,

- (1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumeration's herein not excluding the general.
- (2) Trustor covenants to keep all buildings that may now or at any time be on said property during the continuance of this trust in good repair and insured against loss by fire, with extended coverage endorsement, in a company or companies authorized to issue such insurance in the State of Nevada, and as may be approved by Beneficiary, for such sum or sums as shall equal the total indebtedness secured by this Deed of Trust and all obligations having priority over this Deed of Trust and shall be payable to Beneficiary to the amount of the unsatisfied obligation to Beneficiary hereby secured, and to deliver the policy to Beneficiary, or to collection agent of Beneficiary, and in default thereof, Beneficiary may procure such insurance and/or make such repairs, and expend for either of such purposes such SLJM or sums as Beneficiary shall deem proper.
- (3) To appear in and defend any action or proceeding purporting to affect the security hereof or the, rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
- (4) To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock, water rights and grazing privileges; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto, and all costs, fees and expenses of this trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor, and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof; Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

- (5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at ten percent per annum.
- (6) At Beneficiary's option, Trustor will pay a "late charge" as indicated in the Promissory Note to cover the extra expense involved in handling delinquent payments, of such "late charge" shall not be payable out of the proceeds of any sale made to satisfied, the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured thereby.

B. IT IS MUTUALLY AGREED

- (1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
- (2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all othersums so secured or to declare default for failure so to pay.
- (3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement of any agreement subordinating the lien or charge hereof.
- (4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose, and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto".
- (5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby Secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due, and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- (6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be recorded. Beneficiary also shall deposit with Trustee this Deed of Trust, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law for the sale of real property under writ of execution, Trustee, without demand on Trustor, shall sell said property or any part thereof at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. In the event that any indebtedness secured hereby shall not have been fully satisfied by said sale, Trustee may give notice of sale of any property not previously notified for sale in the manner set forth above and sell the same in the manner set forth above.

Trustee shall deliver to any purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee, including a reasonable fee for the attorney of Trustee, and of this trust, including cost evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at ten percent per annum; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

- (7) That Beneficiary, or his assignee, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed and acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where, or document or file number under which, this Deed of Trust is recorded, and the name and address of the new Trustee. If notice of default shall have been recorded, this power of substitution cannot be exercised until after the costs, fees and expenses of the then acting Trustee shall have been paid to such Trustee, who shall endorse receipt thereof upon such instrument of substitution. The procedure herein provided for substitution of Trustee shall be exclusive of all other provisions for substitution, statutory or otherwise.
- (8) The following covenants: Nos. 1, 3, 4, (interest 10%) 5, 6, 8 and 9 of Nevada Revised Statutes 107.030, when not inconsistent with other covenants and provisions herein contained, are hereby adopted and made a part of this Deed of Trust.
- (9) The rights and remedies hereby granted shall not exclude any other rights or remedies granted by law, and all rights and remedies granted hereunder or permitted by law shall be concurrent and cumulative. A violation of any of the covenants herein expressly set forth shall have the same effect as the violation of any covenant herein adopted by reference.
- (10) It is expressly agreed that the trust created hereby is irrevocable by Trustor.
- (11) That this Deed of Trust applies to, insures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

BK-1108
PG-4590

- (12) That Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.
- (13) Trustor agrees to pay any deficiency arising from any cause after application of the proceeds of the sale held in accordance with the provisions of the covenants herein above adopted by reference.

The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address herein before set forth.

REQUEST FOR FULL RECONVEYANCE

DO NOT RECORD

TO TRUSTEE

The undersigned is the legal owner and holder of the note or notes, and of all other indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated: _____

Please mail Deed of Trust,
Note and Reconveyance to Dean Price at 494 Ellis Street, Pasadena CA 91105

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.



BK-1108
PG-4591

ENVIRONMENTAL AGREEMENT AND INDEMNITY

THIS RIDER is made this November 12, 2008 and is incorporate into and shall be deemed to amend and supplement the Deed of Trust of even date given by the undersigned (the "Borrower") to secure Borrower's promissory note to Alamo Mortgage Group, Inc. (the "Lender"), and covering the Property described in the Deed of Trust and located at 700 Highway 50, Zepher Cove, NV 89448.

RECITALS

A. Lender has made a loan (the "Loan") to Borrower in the principal amount of \$135,000.00, which Loan is evidenced by a Promissory Note ("Note") of even date herewith given by borrower in favor of Lender. The Loan is secured by, among other things, that certain Deed of Trust (the "Deed of Trust") of even date herewith given by Borrower, as trustor, for the benefit of Lender, as, encumbering certain real property located in the City of Zepher Cove, NV 89448, County of Douglas, State of Nevada, more particularly described in said Deed of Trust (together with any buildings and improvements now or hereafter located thereon, the "Property")

B. Lender has required that Borrower execute and deliver this Agreement as a condition precedent to the making of, and in order to induce Lender to make, the Loan.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and in order to induce Lender to make the Loan, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby covenants and agrees as follows:

1. **Definitions.** As used in this Agreement, the following terms shall have the following meanings:

(a) **Hazardous Substance.** The term "Hazardous Substance" means (i) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any Environmental Laws (as hereinafter defined) as a "hazardous substance", "hazardous material", "hazardous waste", "extremely hazardous waste", "infectious waste", "toxic waste", "toxic pollutant", or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity or "EP toxicity" and (ii) any petroleum, natural gas, natural gas liquid, liquified natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources.

(b) **Hazardous Substance Activity.** The term "Hazardous Substance Activity" means any actual, proposed or threatened storage, holding, existence or suspected existence, released or suspected release, emission, discharge, generation, processing, abatement, removal, disposition, handling or transportation of any Hazardous Substance from, under, into, on or across the Property of surrounding property or any other use of or operation on the Property or the surrounding property that creates a risk of Hazardous Substance contamination of the Property. "Hazardous Substance Activity" includes, without limitation, any use of the Property involving any of the following activities: leather tanning; metal plating; salvage operations of any type (including, but not limited to, automobiles, electrical equipment or transformers, surplus military equipment or lead batteries); fertilizer or pesticide manufacture, packaging or bulk storage; wood or pole treatment facilities; paint manufacturing; drum or tank recycling or salvage; oil reclamation; petroleum blending, packaging or bulk storage; chemical manufacturing, processing, blending, bulk storage, packaging or distribution; manufacturing of electronic components or analytical laboratory equipment; ceramics manufacturing or painting; dry cleaning; printing biological or chemical research; precious metal recovery; gas station operations; automobile painting; or automotive service center.

(c) **Environmental Laws.** The term "Environmental Laws" means any and all present and future federal, state and local laws (whether under common law, statute, ordinance, rule, regulation or otherwise), court or administrative orders or decrees, requirements of permits issued with respect thereto, and other requirements of governmental authorities relating to the environment or to any Hazardous Substance or Hazardous Substance Activity (including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601, et. seq.), as heretofore or hereafter amended from time to time ("CERCLA", and the applicable provisions of the California Health and Safety Code and the California Water Code).

(d) **Hazardous Substance Claims** The term clean-up, removal, remedial or other governmental or regulatory actions, agreements, or orders threatened, instituted or completed pursuant to any Environmental Laws and any and all other actions, proceedings, claims, demands or causes of action, whether meritorious or not (including, without limitation, third party claims for contribution, indemnity personal injury or real or personal property damage), which directly or indirectly relate to, arise from or are based in whole or in part on: (i) the occurrence or alleged occurrence of any Hazardous Substance Activity; (ii) any violation or alleged violation of any applicable Environmental Laws relating to the Property or to the ownership, use, occupation or operation thereof; or (iii) any investigation, inquiry, order, hearing, action or other proceeding by or before any governmental agency in connection with any Hazardous Substance Activity.



(e) **Remedial Work.** The term "Remedial Work" shall mean all investigation, monitoring, restoration, abatement, detoxification, containment, handling, treatment, removal, storage, decontamination, clean-up, transport, disposal or other ameliorative work or response action required by (i) any Environmental Law. (ii) any judgment, consent decree, settlement or compromise with respect to any Hazardous Substance Claims.

(f) **Losses.** The term "Losses" means any and all losses, liabilities, damages, punitive damages, demands, claims, actions, judgments, causes of action, assessments, penalties, costs and expenses (including sums paid in settlement of claims), liens, interest, fines or penalties, including, without limitation, the reasonable fees and disbursements of outside legal counsel, paralegal and accountants and the reasonable charges of in-house legal counsel, paralegal and accountants, consultant fees, expert fees, and all other costs and expenses of any kind or nature. "Losses" include, but are not limited to, (a) capital, operating and maintenance costs incurred in connection with any Remedial Work required or performed by or on behalf of any federal, state or local governmental agency or political subdivision or performed by or on behalf of any nongovernmental entity or person because of the presence, suspected presence, release or suspected release of any Hazardous Substance in or into the air, soil, groundwater or surface water at, on, about, under or within the Property (or any portion thereof), and any claims of third parties for loss or damage due to such Hazardous Substance; and (b) all Losses sustained by Lender or its directors, officers, shareholders, employees and agents, due to any Hazardous Substance (i) that is present or suspected to be present in the air, soil, groundwater or surface water at, on, about, under or within the Property (or any portion thereof) on or before the date of this Agreement, or (ii) that migrates, flows, percolates, diffuses or in any way moves onto, into or under the air, soil, groundwater or surface water at, on, about, under or within the Property (or any portion thereof) after the date of this Agreement, irrespective of whether such Hazardous Substance shall be present or suspected to be present in the air, soil, groundwater or surface water at, on, about, under or within the Property (or any portion thereof) as a result of any release, discharge, disposal, dumping, spilling, or leaking (accidental or otherwise) onto the Property (or any portion thereof) occurring before, on or after the date of this Agreement or caused by any person or entity.

(g) **Environmental Losses.** The term "Environmental Losses" means Losses suffered or incurred by Lender or its directors, officers, shareholder, employees and agents with respect to the Property arising out of or as a result of: (i) the occurrence of any Hazardous Substance Activity; (ii) any violation of any applicable Environmental Laws relating to the Property or to the ownership, use, occupancy or operation thereof; (iii) any investigation, inquiry, order, hearing, action or other proceeding by or before any governmental agency in connection with any Hazardous Substance Claims brought, asserted, or alleged against Lender or any of its directors, officers, shareholders, employees or agents; (v) any actions taken by Lender to enter and inspect the Property pursuant to California Civil Code Section 2929.5; (vi) any actions taken by Lender to appoint a receiver pursuant to California Code of Civil Procedure Section 564; (vii) any actions taken by Lender pursuant to California Code of Civil Procedure Section 726.5; and (viii) any actions taken by Lender pursuant to California Code of Civil Procedure Section 736.

2. Representations and Warranties. Borrower hereby represents and warrants that: (a) no Hazardous Substances currently are or have been present, used, generated, manufactured, stored, released, discharged on or transported to, from or across the Property and no other Hazardous Substance Activity current is or has been conducted on the Property; (b) Borrower has not received any notice that the Property is in violation of any Environmental Laws; and (c) Borrower is not received any notice of any Hazardous Substance Claims.

3. Covenants. Borrower shall (a) comply and cause all tenants and other persons on or occupying the Property to comply with all Environmental Laws; (b) without limiting the generality of clause (a) above, not engage in, permit nor acquiesce to any Hazardous Substance Activity on, under or about the Property; (c) immediately advise Lender in writing of (i) the receipt by Borrower of notice of any and all Hazardous Substance Claims; (ii) any knowledge by Borrower that the Property does not comply with any Environmental Laws, (iii) any remedial action taken by Borrower in response to any Hazardous Substances or Hazardous Substance Activity on, under or about the Property, or to any Hazardous Substance Claims, and (iv) Borrower's discovery of the presence of any Hazardous Substances or Hazardous Substances Activity on, under or about the Property or any real property immediately adjacent to the Property whether or not the same requires notice to be given to any governmental entity or agency under Environmental Laws; (d) submit to Lender, promptly upon receipt or preparation, copies of any and all reports, studies, analyses, correspondence, governmental comments, or approvals, proposed removal or other Remedial Work contracts and similar information prepared or received by Borrower in connection with any Remedial Work or Hazardous Substances relating to the Property; (e) maintain property management services at the Property which shall provide for periodic inspections of the Property (subject to access restrictions under leases and at law) and for periodic meetings with representatives of Borrower and, upon request, Lender to review the results of such inspection; and (f) use reasonable efforts to negotiate leases which provide (i) that periodic entry and inspection by Borrower, Borrower's representatives, property manager and/or upon request, Lender or Lender's representatives, is authorized and (ii) that Borrower is authorized under the lease to perform Remedial Work after a failure by a tenant to respond to Borrower's request for Remedial Work by such tenant.

4. Remedial Work. As soon as possible, but no later than sixty (60) day after receipt by Borrower of any Hazardous Substance Claim, Borrower shall perform or cause others qualified to do so to perform any and all necessary Remedial Work in response to any Hazardous Substance Claim. Subject to the terms of any leases and applicable laws, in response to Borrower's knowledge of the presence of any Hazardous Substance on or under the Property or real property immediately adjacent to the Property, Borrower shall immediately perform or cause tenants to immediately perform all Remedial Work. All Remedial Work shall be performed in accordance with all applicable Environmental Laws and any other applicable laws, rules,



regulations or orders. All costs and expenses of any Remedial Work shall be paid by Borrower, it being understood that Lender shall incur no cost, expense or liability in connection with any Remedial Work. Lender shall have the right, but no obligation, to join and participate in, as a party if it so elects at Lender's cost, any legal proceedings or actions initiated in connection with any Hazardous Substance Claims, provided, however, Borrower shall reimburse to Lender its attorneys' fees and costs incurred if such participation is deemed reasonably necessary by Lender to protect its security interest in the Property.

5. Remedies. In addition to any other rights or remedies Lender may have under this Agreement, at law or in equity, in the event that Borrower shall fail to timely comply with the provisions hereof or in the event that any representation or warranty made herein proves to be intentionally or materially false or misleading, then, in such event and after (a) delivering written notice to Borrower, which notice specifically states that Borrower has failed to comply with the provisions of this Agreement; and (b) the expiration of the cure period, if any, permitted under the applicable laws, rules, regulations or orders with which Borrower shall have failed to comply; Lender may (i) declare that an Event of Default (as defined in the Deed of Trust) has occurred under the Deed of Trust and exercise any and all remedies provided for therein, (ii) institute an action against Borrower for specific performance of the action which Borrower has failed to perform, (iii) do or cause to be done whatever is necessary to cause the Property to comply with all Environmental Laws and other applicable laws, rules, regulations or orders and the costs thereof shall become immediately due and payable from Borrower to Lender as Environmental Losses, (iv) enter into and inspect the Property pursuant to California Civil Code Section 2929.5, (v) appoint a receiver pursuant to California Code of Civil Procedure Section 564, and/or (vi) commence an action as provided in California Code of Civil Procedure Section 736.

6. Indemnification Borrower agrees to indemnify, protect, defend (with counsel reasonably approved by Lender) and hold Lender, and the directors, officers, shareholders, employees and agents of Lender, and each of them (collectively, the "Indemnified Parties"), harmless from and against any and all Environmental Losses, to the fullest extent permitted by applicable law. The indemnification provided for in this paragraph shall specifically apply to and include any Environmental Losses incurred by Lender and the other Indemnified Parties in connection with the exercise of Lender's right (i) to enter and inspect the Property pursuant to California Civil Code Section 2929.5, including, without limitation, the cost of repair of and physical injury to the Property caused by such entry and inspection; (ii) to appoint a receiver pursuant to California Code of Civil Procedure Section 564; (iii) pursuant to California Code of Civil Procedure Section 726.5, including, without limitation, costs incurred to determine the value of the Property and to establish the degree to which the Property is environmentally impaired, as required by California Code of Civil Procedure Section 726.5(b); and (vi) to commence an action pursuant to California Code of Civil Procedure Section 736. The indemnification provided for in this paragraph shall also specifically apply to and include claims or actions brought by or on behalf of employees of the Borrower, and Borrower hereby expressly waives any immunity to which Borrower may otherwise be entitled under any industrial or worker's compensation laws. In the event any of the Indemnified Parties shall suffer or incur any such Environmental Losses, Borrower shall pay to such Indemnified Party the total of all such Environmental Losses suffered or incurred by such Indemnified Party upon demand therefore by such Indemnified Party.

7. Subrogation of Indemnity Rights If Borrower fails to perform its obligations under this Agreement, Lender shall be subrogated to any rights Borrower may have under any indemnifications from any present, future or former owners, tenants or other occupants or users of the Property (or any portion thereof), relating to the matters covered by this Agreement.

8. Joint and Several Liability; Contribution. If this Agreement is executed and entered into by more than one person or entity as "Borrower", then:

- (a) Each of such persons or entities shall be jointly and severally liable for each and all of the obligations of Borrower hereunder;
- (b) Each Borrower agrees that it shall have no right of contribution (including, without limitation, any rights of contribution under CERCLA) or subrogation against any other Borrower hereunder unless and until all obligations of such Borrower have been satisfied; and
- (c) Each Borrower further agrees that, to the extent that the waiver of its rights of subrogation and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation of contribution such Borrower may have shall be junior and subordinate to the rights of Lender against any Borrower hereunder.

9. Inspection. Borrower shall permit Lender to enter the Borrower's (office and) Property during all reasonable (business) hours (after giving reasonable notice to Borrower) to conduct environmental testing and, in the event of Borrower's failure to undertake Remedial Work, to perform Remedial Work, and Borrower hereby grants to Lender (and its employees and agents) an irrevocable and non-exclusive license of the purpose of conducting such testing and/or Remedial Work. Lender's right to enter and inspect the Borrower's (office and) Property shall include all rights conferred upon Lender by California Civil Code Section 2929.5



10. Assignment by Lender. No consent by Borrower shall be required for any assignment or reassignment of the rights of Lender hereunder to one or more purchasers of the Loan or the Property, or any portion thereof.

11. Interest. Any costs and other payments required to be paid by Borrower to Lender or the other Indemnified Parties under this Agreement which are not paid on demand shall thereupon be considered delinquent. All such cost and other payments shall bear interest at the Default Interest Rate (as defined in the Note) from the date such costs and payments become delinquent through and including the date all such costs and payments are paid in full. Notwithstanding the foregoing, interest on all such costs and other payments shall not exceed the maximum rate of interest, if any, permitted by law to be contracted for between Borrower and Lender.

12. Recourse Obligations. The obligations of Borrower under this Agreement shall be exceptions to any limitations on Lender's recourse against Borrower or any so called "nonrecourse" or "exculpatory" provisions set forth in the Deed of Trust, the Note or in any other document referred to therein and evidencing or securing the repayment of the Loan, such that Borrower shall be fully and personally liable on a full recourse basis for all of Borrower's obligations hereunder, and such liability shall not be limited to the original principal amount of the Loan.

13. Secured Obligations; Survival. Borrower's obligations hereunder shall be secured by the Deed of Trust for so long as the Deed of Trust shall remain a lien upon the Property, provided, however, that any termination of the lien of the Deed of Trust shall not terminate or otherwise affect Borrower's obligations hereunder and Borrower's obligations hereunder shall survive (i) any foreclosure, deed in lieu of foreclosure or reconveyance of the Deed of Trust, and (ii) any sale or other transfer of the Property by either Borrower or Lender. The rights of Lender under this Agreement shall be in addition to any other rights and remedies of Lender against Borrower under any other document of instrument now or hereafter executed by Borrower, or at law or in equity (including, without limitation, any right of reimbursement or contribution pursuant to CERCLA), and shall not in any way be deemed a waiver of any of such rights. The obligations of Borrower under this Agreement shall be personal to each Borrower and their respective representatives, administrators, executors, successors and assigns, and shall not run, and shall not be deemed to run, with the land.

14. Miscellaneous. If any term or condition of this Agreement or any application thereof shall be invalid, illegal or unenforceable, the remainder of the Agreement and any other application of such term or condition shall not be affected thereby. No delay or omission in exercising any right hereunder shall operate as a waiver of such right or any other right. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Borrower and Lender, and their respective representatives, administrators, executors, successors and assigns, including, without limitations, any assignee or purchaser of all or any portion of the Lender's interest in the Loan or the Property. No failure of delay on the part of Lender to exercise any power, right or privilege under this Agreement shall impair any such power, right or privilege, or be construed to be a waiver of any default or an acquiescence therein, not shall any single or partial exercise of such power, right or privilege. No provision of the Agreement may be changed, waived, discharged or terminated except by an instrument in writing signed by the party against whom enforcement of this charge, waiver, discharge or termination is sought. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

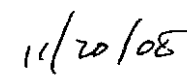
15. Attorneys' Fees. Borrower hereby agrees to pay all attorneys' and paralegal's fees and other costs and expenses which may be incurred by the Lender in the enforcement of this Agreement including, without limitation, those incurred in any case, action, proceeding, claim or otherwise under Chapters 7, 11, or 13 of the United States Bankruptcy Code or any successor statute or statutes thereof.

16. Notices. Any notice to be given by Borrower or Lender hereunder shall be given as provided in the Deed of Trust.

IN WITNESS WHEREOF, Borrower has executed this Agreement as of the date and year first above written.



Dean R. Price - Borrower



Date

