



The undersigned hereby affirm that this document submitted for recording does not contain the social security number of any person or persons (per NRS 239B.030).

APN: 1320-30-410-014

Prepared By and When Recorded
Return To:

Nevada Housing Division
1535 Old Hot Springs Rd., Suite 50
Carson City, NV 89706
Attention: Chief of Federal Programs

DEED OF TRUST AND SECURITY AGREEMENT
(RECAPTURE)

SECTION 1602 PROGRAM
(Non-Recourse)

[THIS DEED OF TRUST AND SECURITY AGREEMENT CONSTITUTES A CONSTRUCTION SECURITY AGREEMENT THAT SECURES AN OBLIGATION WHICH THE GRANTOR INCURRED FOR THE PURPOSE OF MAKING AN IMPROVEMENT OF THE REAL ESTATE IN WHICH THE SECURITY INTEREST IS HEREBY GIVEN AND IS INTENDED TO CREATE A CONSTRUCTION SECURITY INTEREST.]

THIS DEED OF TRUST AND SECURITY AGREEMENT (hereinafter referred to as "Deed of Trust"), made and entered into as of the 30th day of December, 2009, between **Minden Pacific Associates**, a Nevada limited partnership whose address is 1320 E. Aultman, Ely, Nevada 89301, ("Grantor"), and to NEVADA HOUSING DIVISION, a division of the Department of Business and Industry of the State of Nevada, as trustee ("Trustee") and having its principal office at 1535 Old Hot Springs Rd., Suite 50, Carson City, NV 89706, Attention: Chief of Federal Programs (the "Division"), for the benefit of the United States Department of the Treasury, including the United States of America acting through the Treasury ("Lender"),.



WITNESSETH, that Grantor in consideration of the debt and trust hereinafter described and created, and the sum of One Dollar (\$1), the receipt of which is hereby acknowledged, does hereby irrevocably warrants, grants, bargains, sells, transfers, conveys and assigns to the Division, for the benefit and security of Lender, with power of sale and right of entry, under and subject to the terms and conditions hereinafter set forth, all of the following described property, rights, interests, and estates now owned or hereafter acquired by Grantor to the full extent of Grantor's right, title, and interest therein, including hereafter acquired rights, interests, and property, and all products and proceeds thereof and additions and accessions thereto (sometimes collectively referred to herein as the "Property"):

TOGETHER with the real property described in Exhibit "A" attached hereto and made a part hereof as if set forth verbatim (the "Land"); and,

TOGETHER with the buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land (the "Improvements"); and,

TOGETHER with all easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, riparian rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land and the Improvements and the reversion and reversions, remainder and remainders, including any homestead or other claim at law or in equity and any after-acquired title, franchises, licenses, and any reversions and remainders thereof, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Grantor of, in, and to the Land and the Improvements and every part and parcel thereof, with the appurtenances thereto; and,

TOGETHER with all inventory, machinery, furniture, equipment, and fixtures (including all heating, air conditioning, plumbing, lighting, communications and elevator fixtures) and other property of every kind and nature whatsoever located upon the Land or the Improvements or appurtenant thereto or used in connection with the present or future operation or occupancy of the Land or the Improvements, including all materials intended for construction, reconstruction, refurbishment, renovation, alterations, and repairs to the Property (whether stored or located on or off the Property) (all of the items described below are herein sometimes collectively called the "Personal Property"), including the right, title and interest of Grantor in and to any of the Personal Property that may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by any state or states where any of the Property is located (the "Uniform Commercial Code") superior in lien to the lien of this Security Instrument, such Personal Property to include, for example, the following: (1) all furniture and furnishings, including carpets, rugs and other floor coverings, draperies, drapery rods and brackets, awnings, window shades, Venetian blinds, curtains, lighting fixtures, desk chairs, stools, pictures, lamps, ash trays, waste baskets, clocks, radios, and all other furniture and furnishings of every kind and nature whatsoever; (2) all cash registers, coin machines, computers, word processing equipment,



adding machines, calculators, check protectors, postage meters, desks, chairs, tables, room dividers, filing cabinets, safes, vaults, time clocks, time card machines, and other office furniture, equipment and supplies of every kind and nature whatsoever; (3) all right and interest of the Grantor in and to all equipment leases, personal property leases, conditional sales contracts and similar agreements in and to the telephone system (including the switching components thereof), television sets, computer systems, refrigerator/bars, and point of sale computer systems and/or inventory control systems; (4) all apparatus, machinery, motors, tools, insurance proceeds, leases, and equipment, including fire sprinklers and alarm systems, air conditioning, heating, refrigerating, electronic monitoring, window or structural cleaning rigs, maintenance equipment, equipment for the extermination or exclusion of vermin or insects, equipment for removal of dust, debris, snow, refuse or garbage, and all other equipment of every kind; (5) elevators, fittings, radiators, gas ranges, mechanical equipment, and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air conditioning, central energy and sprinkler equipment and fixtures and appurtenances thereto; and (6) all renewals or replacements of any of the foregoing, whether or not the same are or shall be attached to the Improvements (Land, Property, Improvements and Personal Property shall be collectively referred to as "Premises"); and,

TOGETHER with, all leases and other agreements affecting or relating to the use, enjoyment or occupancy of all or any part of the Land or the Improvements heretofore or hereafter entered into, whether before or after the filing by or against Grantor of any petition for relief under 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), as the same may be amended from time to time (the "Leases") and all right, title and interest of Grantor, its successors and assigns therein and thereunder, including cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, royalties, licenses, payments (including payments pursuant to the exercise of any purchase option by any tenant under any Lease), fees (including termination fees), revenues, income, receipts, charges, accounts, accounts receivable, issues and profits and other benefits (including all oil and gas or other mineral royalties and bonuses) from the Land or the Improvements whether paid or accruing before or after the filing by or against Grantor of any petition for relief under the Bankruptcy Code (collectively, the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Obligations; and,

TOGETHER with all awards or payments, including interest thereon (collectively, the "Condemnation Award(s)"), which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including any transfer made in lieu of or in anticipation of the exercise of such right), or for a change of grade, inverse condemnation or for any other injury to or decrease in the value of the Property whether permanent or temporary; and,

TOGETHER with all proceeds of and any unearned premiums on any insurance policies covering the Property, including the right to receive and apply the proceeds of any insurance judgments, or settlements made in lieu thereof, for damage to the Property; and,

TOGETHER with all refunds, rebates or credits in connection with a reduction in real estate taxes and assessments charged against the Property as a result of tax certiorari or any applications or proceedings for reduction; and,



TOGETHER with all intangible property used in connection with or generated by, located on or at or pertaining to the Property including all general intangibles, payment intangibles, software, goodwill, trademarks, trade names, service marks, logos, copyrights, option rights, purchase contracts, contract rights or leases of personal property and security deposits received pursuant thereto, utility contracts, service contracts, guaranties, warranties, telephone exchange numbers, licenses, government permits and applications, approvals and other government rights relating to the Property or the operation of the business thereon; all books and records; deposit accounts, letter-of-credit rights, accounts, contract rights, instruments, chattel paper, investment property, all rights of Grantor for payment of money for property sold, rented or lent, for services rendered, for money lent, or advances or deposits made; all claims, actions, and causes of action (including those arising in tort, including commercial tort claims) of Grantor against others; all agreements, contracts, certificates, instruments (including promissory notes, guaranties, liens and all writings which evidence a right to the payment of money), franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Property or any part thereof or respecting any business or activity conducted on the Property or any part thereof and all right, title and interest of Grantor therein and thereunder, including the right to receive and collect any sums payable to Grantor thereunder; all extensions, Improvements, betterments, replacements, renewals, or additions and accessions to any of the foregoing; and any other intangible property of Grantor related to the Property; and

TOGETHER with and in addition to any other property mentioned above, all property in which a security interest may be created pursuant to the Uniform Commercial Code (or any similar laws) including all goods, inventory, equipment, accounts, accounts receivable, contract rights, general intangibles, chattel paper, documents, documents of title, instruments, deposit accounts, letter-of-credit rights, investment property, tort claims (including commercial tort claims), and securities located on or generated by or used in connection with the ownership or operation of the Property; and

TOGETHER with all proceeds of the conversion, voluntary or involuntary, of any of the foregoing including proceeds of insurance and Condemnation Awards, into cash or liquidation claims; and

TOGETHER with any and all other rights of Grantor in and to the items set forth in above.

FURTHER WITNESSETH, that this Deed of Trust is both a real property Deed of Trust and a "security agreement" within the meaning of the Nevada Uniform Commercial Code (collectively the "Security Instrument"). The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Grantor in the Property. By executing and delivering this Security Instrument, Grantor hereby grants to the Division, as security for the Obligations, a security interest in any of the Property that is deemed to be personal property to the full extent that such property may be subject to the Uniform Commercial Code. This Security Instrument shall be and is intended to serve as a financing statement under the Uniform Commercial Code with respect to the Personal Property, and when filed shall serve as a financing statement for all intents and purposes thereunder. Grantor



authorizes the Division to file financing statements describing the Personal Property. The Division shall be entitled to all rights and remedies of a "secured party" under the Uniform Commercial Code. Upon its recording in the real property records, this Security Instrument shall be effective as a financing statement filed as a fixture filing and when filed shall serve as a financing statement for all intents and purposes thereunder. For purposes of this filing, Grantor is the record owner of the Property. The name and mailing address of Grantor, as debtor, and the name and mailing address of the Division, as secured party, from which information concerning this Financing Statement may be obtained, are set forth in the Preamble of this Security Instrument. The Grantor shall immediately advise the Division in writing of any change in the state of Grantor's organization, or Grantor's exact legal name, or the places where the Personal Property, or any part thereof, or the books and records concerning the Personal Property, or any part thereof, are kept.

If any of the Property is deemed to be personal property, this Security Instrument shall also constitute a security agreement with respect to such personal property executed by Grantor as debtor in favor of the Division as secured party. Upon the occurrence of an Event of Default, the Division may, in addition to and not in derogation of any other rights and remedies of the Division under the Section 1602 Subaward Agreement dated **December 30, 2009** (the "1602 Agreement"), the Promissory Note, the Loan Agreement or any of the other documents evidencing or securing the 1602 Loan (collectively, the "1602 Loan Documents") each executed even date herewith or applicable law, in accordance with Section 9-604 of the Uniform Commercial Code, as applicable, or other such provisions of the Uniform Commercial Code, elect (i) to proceed under and have all the rights and remedies of a secured party under Article 9 of the Uniform Commercial Code and any other applicable law, or (ii) to proceed as to both the real property and the personal property in accordance with the Division's rights and remedies in respect of the real property encumbered by this Security Instrument, whereupon at any foreclosure sale conducted pursuant to this Security Instrument may offer the real and personal property together as part of the same sale, with bids to be taken on the whole of the real and personal property rather than separately.

Grantor shall promptly notify the Division of the existence of any commercial tort claim now or hereafter existing against Grantor or the Property, and shall execute, acknowledge and deliver a security agreement or other documentation as the Division shall from time to time require to acquire and perfect a valid and binding security interest in such commercial tort claim.

THIS DEED OF TRUST AND SECURITY AGREEMENT SHALL SECURE THE FOLLOWING OBLIGATIONS (collectively, the "Obligations"):

(a) Performance during the Compliance Period with all of the conditions and covenants set forth in the 1602 Agreement and upon a default described in the Section 1602 Agreement as a Recapture Event, payment of the Recapture Amount as calculated in accordance with Section 6.1 of the 1602 Agreement which by reference hereof to such 1602 Agreement shall be incorporated in this Deed of Trust as if it were fully recited herein; and

(b) Payment of all other indebtedness and other sums, with interest thereon, which may be owed under, and performance of all other obligations and covenants contained in the



1602 Documents together with any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby or thereby; and

(c) Payment of all costs, expenses, legal fees and liabilities incurred by the Division in connection with the enforcement of any of the Division's rights or remedies under this Deed of Trust or the other 1602 Loan Documents.

It is the intention of the parties hereto that the Property shall secure all of the Obligations presently or hereafter owed, and that the priority of the security interest created by this Deed of Trust for all such Obligations shall be controlled by the time of proper recording of this Deed of Trust. In addition, this Deed of Trust shall also secure unpaid balances of advances made by the Division with respect to the Property pursuant and subject to the terms of the 1602 Loan Documents (all of which shall constitute a part of the Obligations). It is specifically understood and agreed that all funds furnished by the Division for the purposes set forth in the 1602 Loan Documents, shall be deemed an advance by the Division under an obligation to do so regardless of the identify of the person or persons to whom the funds are furnished. This paragraph shall serve as notice to all persons who may seek or obtain a lien on the Property subsequent to the date of recording of this Deed of Trust, that until this Deed of Trust is released or reconveyed, any debt owed to the Division by Grantor in connection with the 1602 Loan or the 1602 Loan Documents, including advances made subsequent to the recording of this Deed of Trust, shall be secured with the priority afforded this Deed of Trust as recorded.

Grantor represents and warrants that Grantor is lawfully seized of the Property and has the right, power and authority to mortgage, grant, convey and assign the Property, and that the Property is unencumbered, except as shown on the schedule of exceptions to coverage in the title policy issued to and accepted by Division contemporaneously with the execution and recordation of this Instrument and insuring Division's interest in the Property (the "Permitted Encumbrances"). Grantor covenants that Grantor will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions listed in the Permitted Encumbrances.

The Grantor covenants with the Division as follows:

1. Grantor will comply with the provisions of the LURA and the 1602 Agreement at all times during the Compliance Period.
2. Grantor will not permit or suffer the use of any of the Premises for any purpose other than the use for which the same was intended at the time this Deed of Trust was executed.
3. The 1602 Agreement, executed by the Grantor and the Division, which has been recorded, is incorporated in and made a part of this Deed of Trust, and any violation of any of the terms and covenants of said 1602 Agreement which constitute a Recapture Event under such said 1602 Agreement shall be an Event of Default under the terms and provisions of this Deed of Trust and the Division shall calculate the Recapture Amount and declare the Recapture Amount to be due and payable.



4. Legal title to all Rents covered by this Deed of Trust are hereby absolutely assigned to the Division for the purpose of discharging the debt hereby secured. Permission is hereby given to Grantor for so long as no Event of Default exists hereunder, to collect such Rents for use in accordance with the provisions of the 1602 Agreement; but if there be an Event of Default hereunder, such permission to collect Rents shall revert to the Division. After any Event of Default, the Division may at any time without notice, either in person, by agent, or by receiver to be appointed by the court, and without regard to the adequacy of any security for the Obligations, enter upon and take possession of the Property, or any part thereof, make, cancel, enforce or modify leases; obtain and eject tenants, set or modify rents; in its own name sue or otherwise collect the rents, income, issues and profits thereof, including those past due and unpaid; and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby and in such order as the Division may determine; and except for such application, the Division shall not be liable to any person for the collection or non-collection of any rents, income, issues or profits, for the failure to assert or enforce any of the foregoing rights, nor shall the Division be charged with any of the duties or obligations of a mortgagee in possession. The entering upon and taking possession of the Property, the collection of such rents, income, issues or profits, the doing of other acts herein authorized, and the application thereof, shall not cure or waive any Event of Default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. Upon an Event of Default hereunder the Division shall also be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the Premises described herein and operate same and collect the Rents therefrom.

6. In the event of any casualty loss or damage to the Premises, or in the event of any condemnation of the Premises which requires restoration or replacement of the portion of the Premises so taken, the insurance proceeds or the Condemnation Awards will be paid to the Division. If the loan is not in monetary or nonmonetary Event of Default, and there are sufficient funds to repair or rebuild the Improvements from the insurance proceeds or the Condemnation Award, the funds will be released by the Division for the repairing or rebuilding of the Premises. In the event the funds are insufficient to pay for the repairing or rebuilding of the Premises, the Division will pay down the debt unless the Grantor provides sufficient funds together with the insurance proceeds or Condemnation Award to pay for the repairing or rebuilding of the Premises.

7. The Grantor will keep the Improvements now existing or hereafter erected on the Premises insured against loss by fire and such other hazards, casualties, and contingencies, as may be stipulated by the Division and other hazards as may be required from time to time by the Division, and all such insurance shall be evidenced by standard Fire and Extended Coverage Insurance Policy or Policies, in amounts not less than necessary to comply with the applicable Coinsurance Clause percentage, as applicable in the Division requirements outlined in the Division Insurance Requirements but in no event shall the amounts of coverage be less than one hundred percent (100%) of the Insurable Values or not less than the unpaid balance of the 1602 Note secured by this Deed of Trust, whichever is the lesser, and in default thereof the Division shall have the right to effect insurance. Such policies shall be endorsed with standard Deed of Trust clause with loss payable to the Division, and shall be deposited with the Division. If the



Premises covered hereby, or any part thereof, shall be damaged by fire or other hazard against which insurance is held as hereinabove provided, the amounts paid by any insurance company in pursuance of the contract of insurance to the extent of the indebtedness then remaining unpaid, shall be paid to the Division, and, at its option, may be applied to the debt or released for the repairing or rebuilding of the Premises. In the event the insurance proceeds are insufficient to pay for the repair or rebuilding of the Premises, the Division will pay down the debt unless the Grantor provides sufficient funds together with the insurance proceeds to pay for the repair or rebuilding of the Premises.

8. Grantor has a good title in fee simple to said real estate free and clear of all encumbrances (except for Permitted Encumbrances and other encumbrances approved by the Division), and will warrant and defend the same against all lawful claims and mechanics' or other liens of all persons whomsoever. Grantor shall promptly discharge any lien which arises against the Property other than the Permitted Encumbrances and other liens approved by The Division. For purposes of this Deed of Trust, the items set forth on Exhibit "B" shall be the "Permitted Encumbrances".

9. Grantor warrants and represents that:

(a) No Hazardous Materials are contained upon the Premises

(b) The Premises and Grantor are not in violation of, or subject to, any pending or, to Grantor's knowledge, threatened investigation or inquiry by any governmental authority or any remedial obligations under any Environmental Laws, and this representation and warranty would continue to be true and correct following disclosure to each governmental authority of all relevant facts, conditions and circumstances, if any, pertaining to the Premises.

(c) Grantor has not obtained and is not required to obtain any permits, licenses or similar authorizations to construct, occupy, operate or use any Improvements and equipment forming a part of the Premises by reason of any Environmental Laws.

(d) Grantor has taken all reasonable steps to determine and has determined to its reasonable satisfaction that (i) no Hazardous Materials have been used, handled, manufactured, generated, produced, stored, treated, processed transferred, disposed of or otherwise Released in, on, under, from or about the Premises; (ii) the Premises do not contain Hazardous Materials, or underground storage tanks; (iii) there is no threat of any Hazardous Materials migrating to the Premises; (iv) there is no past or present non-compliance with Environmental Laws, or with permits issued pursuant thereto, in connection with the Premises; and (v) Grantor has not received, any written or oral notice or other communication from any person or entity (including but not limited to a governmental authority) relating to Hazardous Materials or remediation thereof, of possible liability of any person or entity pursuant to any Environmental Law, other environmental conditions in connection with the Premises, or any actual or potential administrative or judicial proceedings in connection with any of the foregoing. Grantor



has truthfully and fully provided to the Division, in writing, any and all information relating to environmental conditions in, on, under or from the Premises that is known to Grantor and that is contained in Grantor's files and records, including but not limited to any reports relating to Hazardous Materials in, on, under or from the Premises.

(e) All uses and operations on or of the Premises, whether by Grantor or any other person or entity, have been in compliance with all Environmental Laws and permits issued pursuant thereto; there have been no Releases in, on, under or from the Premises; there are no Hazardous Materials in, on, or under the Premises; the Premises has been kept free and clear of all liens and other encumbrances imposed pursuant to any Environmental Law; Grantor has not allowed any tenant or other user of the Premises to do any act that materially increased the dangers to human health or the environment, posed an unreasonable risk of harm to any person or entity (whether on or off the Premises), impaired the value of the Premises, is contrary to any requirement of any insurer, constituted a public or private nuisance, constituted waste, or violated any covenant, condition, agreement or easement applicable to the Premises.

For purposes of this Deed of Trust, the term "Environmental Laws" means any present and future federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, relating to Hazardous Materials. For purposes of this Deed of Trust, the term "Hazardous Materials" shall mean (i) any toxic substance or hazardous waste, substance, solid waste or related material, or any pollutant or contaminant; (ii) radon gas, mold, asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contains dielectric fluid containing levels of polychlorinated biphenyls in excess of federal, state or local safety guidelines, whichever are more stringent, or any petroleum product; (iii) any substance, gas, material or chemical which is or may be defined as or included in the definition of "hazardous substances," "toxic substances," "hazardous materials," "hazardous wastes" or words of similar import under any Environmental Laws; and (iv) any other chemical, material, gas or substance the exposure to or release of which is or may be prohibited, limited or regulated by any governmental authority that asserts or may assert jurisdiction over the Premises or the operations or activity at the Premises

10. Grantor shall not permit the release or disposal of any Hazardous Materials on the Premises, nor the existence or keeping of any Hazardous Materials in, on or about the Premises. Grantor shall indemnify and hold the Division harmless from any and all liability, loss, cost, damage and expense, including but not limited to, attorney's fees, incurred by the Division as a result of any one or more of the following: (a) any presence of any Hazardous Materials in, on, above, or under the Premises; (b) any past, present or threatened release in, on, above, under or from the Premises; (c) any activity by Grantor, any person or entity affiliated with Grantor or any tenant or other user of the Premises in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Premises of any Hazardous Materials at any time located in, under, on or above the Premises; (d) any activity by Grantor, any person or entity affiliated with Grantor or any tenant or other user of the Premises in connection with any actual or



proposed remediation of any Hazardous Materials at any time located in, under, on or above the Premises, whether or not such remediation is voluntary or pursuant to court or administrative order, including but not limited to any removal, remedial or corrective action; (e) any past, present or threatened non compliance or violations of any Environmental Laws (or permits issued pursuant to any Environmental Laws) in connection with the Premises or operations thereon, including but not limited to any failure by Grantor, any person or entity affiliated with Grantor or any tenant or other user of the Premises to comply with any order of any governmental authority in connection with any Environmental Laws; (f) the imposition, recording or filing or the threatened imposition, recording or filing of any environmental lien encumbering the Premises; (g) any administrative processes or proceedings or judicial proceedings in any way connected with any matter addressed in this Section; (h) any past, present or threatened injury to, destruction of or loss of natural resources in any way connected with the Premises, including but not limited to costs to investigate and assess such injury, destruction or loss; (i) any acts of Grantor, any person or entity affiliated with Grantor or any tenant or other user of the Premises in arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of Hazardous Materials owned or possessed by Grantor, any person or entity affiliated with Grantor or such tenant or user, at any facility or incineration vessel owned or operated by another person or entity and containing such or similar Hazardous Materials; (j) any acts of Grantor, any person or entity affiliated with Grantor or any tenant or other user of the Premises, in accepting any Hazardous Materials for transport to disposal or treatment facilities, incineration vessels or sites selected by Grantor, any person or entity affiliated with Grantor or such tenant or user, from which there is a release, or a threatened release of any Hazardous Material which causes the incurrence of costs for remediation; (xi) any personal injury, wrongful death, or property damage arising under any statutory or common law or tort law theory, including but not limited to damages assessed for the maintenance of a private or public nuisance or for the conducting of an abnormally dangerous activity on or near the Premises; and (xii) any misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations pursuant to this Section. Grantor will not remove or permit to be removed any buildings or fences from the Premises without the written consent of the Division. Grantor will neither commit nor permit waste or trespass on or to the Premises. Grantor will maintain the Improvements thereon in good repair and, in the event of the failure of Grantor to keep the Improvements on the Premises and those to be erected on the Premises, or Improvements thereon, in good repair, the Division may make such repairs as in its discretion it may deem necessary for the proper preservation thereof, and any sums paid for such repairs shall bear interest from the date of payment at the rate specified in the 1602 Note, shall be due and payable on demand and shall be fully secured by this Deed of Trust.

11. Grantor will not voluntarily create or permit to be created against the Premises any lien or liens inferior or superior to the lien of this Deed of Trust except those approved by the Division, and further that it will keep and maintain the same free from the claim of all persons supplying labor or materials which will enter into the reconstruction of any and all Improvements now or hereafter being erected on said Premises. The Division shall have the right (but not the obligation) to make payments sufficient to release any liens filed against the Premises at the Division 's sole discretion, and all such sums so paid by the Division shall be



added to the principal of the debt secured hereby and shall bear interest from the date of payment at the rate specified in the 1602 Note and shall be due and payable on demand.

12. Grantor covenants and agrees that so long as this Deed of Trust and the said 1602 Note secured hereby are held by the Division, it will comply with the provision(s) of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, creed, age, sex, handicap, familial status or national origin, including Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200d-1), the Fair Housing Act (42 U.S.C. 3601), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), Age Discrimination Act of 1975 (42 U.S.C. 6101), Executive Orders 11063 and 11246, Section 3 of the Housing and Urban Development Act of 1968, and the affirmative fair housing marketing requirements at 24 CFR part 200, subpart M.

13. Notwithstanding any contrary provision in this Deed of Trust or in the 1602 Note, this is a non-recourse Deed of Trust and Security Agreement and the Division shall have no recourse against Grantor, or any of its partners/members, or to any asset of Grantor, or any of its partners/members, other than the Premises, nor any right to a deficiency judgment in order to satisfy the indebtedness for payment of principal and interest evidenced by the 1602 Note. The Grantor is liable for any Rents collected by Grantor from the property after a default by Grantor under the 1602 Note, or an Event of Default under this Deed of Trust or a default under any other instrument securing or referring to the 1602 Note, and security deposits made by tenants of the property, and real estate taxes, assessments, water rates, levies and other charges as defined in this Deed of Trust and insurance premiums, payment of which is required to be made by Grantor under this Deed of Trust, and insurance proceeds and Condemnation Awards, payments and consideration which Grantor receives and to which the Division is entitled pursuant to the terms of this Deed of Trust or of any other instrument securing or referring to the 1602 Note, and damages to the property from waste committed or permitted by Grantor or from a failure by Grantor to maintain the property in the manner required by this Deed of Trust, and damages suffered by the Division as a result of the failure of Grantor to pay any of the foregoing, and loss or damage occurring by reason of the failure of Grantor to observe its covenant respecting the release or discharge of Hazardous Materials or the keeping of asbestos or lead based paint on the property as set forth in this Deed of Trust, together with attorney's fees incurred in connection with the collection of the amounts set forth herein.

14. This Deed of Trust has been duly authorized by Grantor, and the individuals are instructed to execute on behalf of Grantor said above-described 1602 Note and this Deed of Trust securing same.

15. So long as the Deed of Trust and 1602 Note secured hereby are outstanding, Grantor will not (a) rent dwelling accommodations in the Premises in excess of the rates approved by the Division; (b) rent the Premises as an entirety; (c) rent the Premises or any part thereof to any persons for the purpose of subleasing; (d) rent the Premises or permit its use for hotel or transient purposes; (e) require of any tenant as a condition of occupancy life-lease contracts, fees or other payments over and above those for rents, utilities, and collateral services. The initial lease period shall not be less than six months and subsequent leases shall not be less than one month.



16. When and if Grantor and the Division shall respectively become the Debtor and secured party in any Uniform Commercial Code financing statement affecting the Premises either referred to or described herein, or in any way connected with the use and enjoyment of these Premises, this Deed of Trust shall be deemed the Security Agreement as defined in said Uniform Commercial Code and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be (i) as prescribed herein, or (ii) by general law, or (iii) as to such part of the security which is also reflected in said financing statement by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code, all at the sole election of the Division. Grantor and the Division agree that the filing of such a financing statement(s) in the records normally having to do with personal property shall never be construed as in anyway derogating from or impairing this declaration and hereby stated intention of the parties hereto, that everything used in connection with the production of income from the Premises and/or adapted for use therein and/or which is described or reflected in this Deed of Trust is, and at all times and for all purposes and in all proceedings both legal or equitable, shall be regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with the Division, (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) the rights in or the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) the interest of Grantor as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Premises encumbered by this Deed of Trust, whether pursuant to lease or otherwise, shall never be construed as in anyway altering any of the rights of the Division as determined by this Deed or Trust or impugning the priority of the lien of the Division granted hereby or by any other recorded document, but such mention in the financing statement is declared to be for the protection of the Division in the event any Court or Judge shall at any time hold with respect to (1), (2) and (3) that notice of the priority of interest of the Division to be effective against a particular class of persons, including but not limited to the Federal Government and any subdivisions or entity of the Federal Government, must be filed in the commercial code records. This Security Agreement is perfected by filing this Deed of Trust in the local land records pursuant to the terms of this Deed of Trust.

17. Grantor represents and agrees that: (a) it is and will be the true and lawful owner of the collateral mentioned in any financing statement, subject to no liens, charges, security interest(s) and encumbrances other than the lien hereof; and (b) such collateral is to be used by the Grantor solely for business purposes being installed upon the Premises for Grantor's use or as the equipment and furnishings furnished by the Grantor, as landlord, to tenants of the Premises; and (c) such collateral will be kept at the real estate comprised in the Premises and will not be removed therefrom without the consent of the Division, and may be affixed to such real estate but will not be affixed to any other real estate; and (d) the only persons having any interest in the Premises are the Grantor and the Division; and (e) no financing statement covering any such collateral and any proceeds hereof is on file in any public office except those filed pursuant hereto and the Grantor will at its own cost and expense upon demand furnish to the Division such further information and will execute and deliver to the Division such financing statements and other documents in form satisfactory and as may be required by the Division and will do all



acts and things as the Division may from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in such collateral as security for the indebtedness secured hereby and the Grantor will pay the cost of filing or recording such financing statements or other documents and this Security Instrument; and (f) the remedies of the Division hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Uniform Commercial Code shall not be construed as a waiver of any of the other rights of the Division including having such collateral deemed part of the realty upon any foreclosure thereof.

18. Grantor has agreed and by these presents does covenant and agree that the whole of said principal sum and the accrued interest thereon shall become due, at the option of the Division, upon failure of any owner of the herein described Premises to comply with any law of the State of Nevada or with the requirements of any ordinance, condition, rule, regulation of any department of the city and county in which the Property is situated relating to the property encumbered by this Deed of Trust or any part thereof within thirty (30) days after notice of such requirement shall have been given to the then owner of said Premises by the said holder, unless a longer period of time is needed to correct such matter and Grantor diligently prosecutes the completion of such requirement and such governmental body extends the time period to cure such requirement.

19. Each of the following shall be an event of default under this Deed of Trust (each, an "Event of Default"):

(a) Grantor's failure to pay (i) any principal or interest on the 1602 Note when due thereunder or (ii) any other sums due under this Deed of Trust or otherwise secured by this Deed of Trust;

(b) Grantor's failure to perform or observe any covenant or agreement contained in this Deed of Trust, the 1602 Agreement or the other 1602 Loan Documents;

(c) if the Property is materially destroyed by fire or other causes and the insurance proceeds available are insufficient to repair and complete the rebuilding of the Property; or

(d) if Grantor fails to comply with any requirement of any governmental authority having jurisdiction over the Property within thirty (30) days after written notice of such requirement shall have been given to Grantor; or

(e) Grantor shall:

(i) have an order for relief entered with respect to it under any law relating to bankruptcy, insolvency, reorganization or relief of debtors ("Bankruptcy Law");

(ii) not pay, or admit in writing its inability to pay, its debts generally as they become due;



(iii) make an assignment for the benefit of its creditors;

(iv) apply for, seek, consent to or acquiesce in the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any of its property;

(v) institute any proceedings seeking an order for relief under any Bankruptcy Law, or a proceeding seeking to adjudicate it a bankrupt or insolvent or seeking a dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it, or its debts, under any Bankruptcy Law; or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it;

(vi) take any action to authorize or effect any of the foregoing actions set forth in this paragraph (e); or

(vii) fail to contest, in good faith, any appointment or proceeding described in paragraph (f) below.

(f) Without the application, approval or consent of Grantor, a receiver, custodian, trustee, examiner, liquidator or similar official shall be appointed for Grantor, or any of its property, or any bankruptcy proceeding shall be instituted against Grantor and such appointment continues undischarged or such proceeding has not been dismissed or stayed for a period of thirty (30) consecutive days.

At any time during the existence of an Event of Default, Division, at Division's option, may declare the Indebtedness to be immediately due and payable without further demand, and may invoke the power of sale and any other remedies permitted by applicable law or provided in this Instrument or in any other Loan Document. Grantor acknowledges that the power of sale granted in this Instrument may be exercised by Division without prior judicial hearing. Grantor has the right to bring an action to assert the non-existence of an Event of Default or any other defense of Grantor to acceleration and sale. Division shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys' fees, costs of documentary evidence, abstracts and title reports.

If Division invokes the power of sale, Division shall execute or cause Trustee to execute a written notice of the occurrence of an Event of Default and of Division's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which the Property is located. Division shall give notice of default in the manner provided by the laws of Nevada to Grantor and to such other persons as the laws of Nevada prescribe. Trustee shall give notice of sale and Trustee shall sell the Property according to the laws of Nevada. Trustee may sell the Property at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any part of the Property by public announcement at the time and place of any previously scheduled sale. Division or Division's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser at the sale, within a reasonable time after the sale, a deed conveying the Property so sold without any covenant or warranty, express or implied. The



recitals in Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including Trustee's fees not to exceed 5% of the gross sales price, attorneys' fees and costs of title evidence; (b) to the Indebtedness in such order as Division, in Division's discretion, directs; and (c) the excess, if any, to the person or persons legally entitled thereto.

20. Grantor and for each party hereto hereby requests a copy of any notice of default and a copy of any notice of sale hereunder be mailed to them at the applicable addresses provided above. In the event of a default by the Grantor under the 1602 Note or Deed of Trust, the Division may, but is under no obligation to, notify the limited partner(s) of the Grantor by sending written notice to:

[NAME] Not Applicable
[ADDRESS]
Attn: [NAME]

All notices or other communications required or permitted to be given pursuant to this Deed of Trust shall be in writing and shall be considered as properly given if (a) mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested, (b) delivered in person to the intended addressee or (c) delivered to an independent, nationally or locally recognized third-party commercial delivery service for same day or next day delivery and providing for evidence of receipt at the office of the intended addressee. Notice so mailed shall be effective three days after its deposit with the United States Postal Service or any successor thereto; notice sent by such a commercial delivery service shall be effective one day after delivery to such commercial delivery service; notice given by personal delivery shall be effective only if and when received by the addressee; and notice given by other means shall be effective only if and when received at the designated address of the intended addressee. The parties hereto shall have the right to change their address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days' notice to the other party in the manner set forth herein. Absent such official written notice of a change in address for Grantor and the Division shall be entitled for all purposes under the 1602 Note and this Deed of Trust to rely upon the addresses as set forth above, as same may have been theretofore changed in accordance with the provision hereof. For purposes of notices and other communications, the addresses of the parties shall be as set forth on page 1 of this Deed of Trust.

21. This Deed of Trust, the rights of the Division on behalf of the Lender hereunder and the 1602 Note shall be construed and enforced according to the laws of the State of Nevada.

22. In the event that any provision or clause of any of this Deed of Trust conflicts with applicable laws, such conflict shall not affect other provisions of this Deed of Trust which can be given effect without the conflicting provision.

23. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The word "Grantor" shall include any future owner of the Premises. The use of the singular number shall include the plural and the use of any gender shall include all genders.



24. No waiver by the Division of any right under this Deed of Trust shall be effective unless in writing. Waiver by the Division of any right granted to the Division under this Deed of Trust or of any provision of this Deed of Trust as to any transaction or occurrence shall not be deemed a waiver as to any future transaction or occurrence. By accepting payment or performance of any Obligations after its due date, or by making any other payment or performing any other act on behalf of Grantor for which Grantor was obligated hereunder, but failed to make or perform, or by adding any payment made by the Division to the indebtedness secured hereby, the Division does not waive its right to require prompt payment when due of, or to require prompt performance of, any Obligation, or to declare an Event of Default for failure so to pay or perform.

25. Grantor and the Division hereby waive trial by jury in any action, proceeding or counterclaim brought by any party against any other or on any matter arising out of or in any way connected with this Deed of Trust, the 1602 Note, 1602 Agreement or the permitted encumbrances, or any sums due under the same, the relationship between Grantor and the Division, or the Premises.

26. This Security Instrument secures future advances and future obligations of Grantor and may be amended from time to time. The total face amount of the present and future advances and obligations which may be secured hereby, including, without limitation, all of Grantor's obligations is **Four Million Four Hundred Sixty Thousand Five Hundred Forty Dollars** and 00/100 (\$4,460,540.00). This provision shall not constitute an obligation upon or commitment of Beneficiary to make additional advances or loans to Grantor.

27. A CREDIT AGREEMENT MUST BE IN WRITING TO BE ENFORCEABLE UNDER NEVADA LAW. TO PROTECT AGAINST ANY MISUNDERSTANDINGS OR DISAPPOINTMENTS, ANY CONTRACT, PROMISE, UNDERTAKING OR OFFER TO FOREBEAR REPAYMENT OF MONEY OR TO MAKE ANY OTHER FINANCIAL ACCOMMODATION IN CONNECTION WITH THIS LOAN OF MONEY OR GRANT OR EXTENSION OF CREDIT, OR ANY AMENDMENT OF, CANCELLATION OF, WAIVER OF, OR SUBSTITUTION FOR ANY OR ALL OF THE TERMS OR PROVISIONS OF ANY INSTRUMENT OR DOCUMENT EXECUTED IN CONNECTION WITH THIS LOAN OF MONEY OR GRANT OR EXTENSION OF CREDIT, MUST BE IN WRITING TO BE EFFECTIVE.

28. Upon payment of the Indebtedness, Division shall request Trustee to reconvey the Property and shall surrender this Instrument and the 1602 Note to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay Trustee's reasonable costs incurred in so reconveying the Property.

29. Division, at Division's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed under this Instrument. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

30. Grantor waives all right of homestead exemption in the Property.



31. Division shall have the right to recommend to the court the person to be appointed as receiver pursuant to Section 4, Section 5 or Section 25.

32. WAIVER OF TRIAL BY JURY. GRANTOR AND DIVISION EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS GRANTOR AND DIVISION THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

ATTACHED EXHIBITS. The following Exhibits are attached to this Instrument:

- | | | |
|-------------------------------------|-----------|-------------------------------------|
| <input checked="" type="checkbox"/> | Exhibit A | Description of the Land (required). |
| <input type="checkbox"/> | Exhibit B | Modifications to Instrument |

IN WITNESS WHEREOF, Grantor has signed and delivered this Instrument or has caused this Instrument to be signed and delivered by its duly authorized representative.


[SIGNATURES AND ACKNOWLEDGMENTS]



IN WITNESS WHEREOF, the said Grantor has caused these presents to be duly signed the day and year first above written, pursuant to due authority.

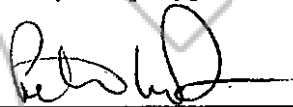
GRANTOR:

Minden Pacific Associates, a Nevada limited partnership

By: 
[NAME]

STATE OF IDAHO)
) SS:
COUNTY OF ADA)

The foregoing instrument was acknowledged before me on this 28th day of DEC., 2009, by CALEB ROOPE, MANAGER, the ROOPE, LLC - GENERAL PARTNER of MINDEN PACIFIC ASSOCIATES, a Nevada [limited partnership][~~limited liability company~~], on behalf of the [limited partnership][~~limited liability company~~].



Notary Public

My commission expires: 7/26/2011





EXHIBIT A

LEGAL DESCRIPTION

COPY



Order No. 024926-RTO

Legal Description

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

A portion of Parcel 3 as shown on the map of WESTWOOD VILLAGE UNIT NO. 4, PHASE A, filed for record in the office of the County Recorder of Douglas County, State of Nevada, on September 29, 1992, in Book 992, Page 5212, as Document No. 289477, more particularly described as follows:

COMMENCING at the Northwest corner of Parcel 3 as shown on Westwood Village Unit No. 4, Phase A, filed for record September 29, 1992 in the office of Recorder, Douglas County, Nevada in Book 992 at Page 5212, as Document No. 289477; thence along the North line of said Parcel 3, South 89°20'23" East, 12.00 feet to the point of beginning; thence continuing along said North line, South 89°20'23" East, 627.00 feet to the East line of said Parcel 3; thence along said East line, South 00°49'00" West, 133.41 feet to the North right-of-way line of Mahogany Drive; thence along said right-of-way line the following three courses; North 89°11'00" West, 209.34 feet to the beginning of a curve, concave to the North; along the arc of said curve, having a radius of 470.00 feet, central angle of 21°02'00", arc length of 172.54 feet; and chord bearing and distance of North 78°40'00" West, 171.57 feet; North 68°09'00" West, 266.73 feet; thence North 00°39'37" East, 4.65 feet to the point of beginning.

The Basis of Bearing of this description is North 89°20'23" West, the North line of said Parcel 3.

NOTE: The above metes and bounds description appeared previously in that certain Boundary Line Adjustment Grant, Bargain, Sale Deed recorded in the office of the County Recorder of Douglas County, Nevada on June 11, 2008, as Document No. 724839 of Official Records.

Assessor's Parcel Number(s):
1320-30-410-014



EXHIBIT B

PERMITTED ENCUMBRANCES

None

