

OFFICIAL RECORD

Requested By:

FOLEY & LARDNER LLP

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

DORFINCO CORPORATION
11575 Great Oaks Way, Suite 210
✓ Alpharetta, Georgia 30022
Attn: Division Counsel – Golf Finance

Douglas County - NV
Karen Ellison - Recorder

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1023-00-002-005

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

Dated for reference purposes as of August 6, 2010

From

CLEAR CREEK RANCH II, LLC,
a Nevada limited liability company,
having an office at
990 Ironwood Drive
Minden, Nevada 89423

("Trustor")

to

DORFINCO CORPORATION,
a Delaware corporation,
having an office at
11575 Great Oaks Way, Suite 210
Alpharetta, Georgia 30022

("Beneficiary")

LOCATION OF PREMISES
The Club at Clear Creek Tahoe – Fly Fishing Ranch Real Property
Douglas County, Nevada

08984

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

THIS DOCUMENT CONSTITUTES A FIXTURE FILING IN ACCORDANCE WITH THE NEVADA UNIFORM COMMERCIAL CODE, AS AMENDED, AND SHALL BE FILED IN THE OFFICIAL RECORDS OF THE DOUGLAS COUNTY RECORDER'S OFFICE, STATE OF NEVADA.

THIS LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING ("Deed of Trust"), is dated for reference purposes as of August 6, 2010, by CLEAR CREEK RANCH II, LLC, a Nevada limited liability company ("Trustor"), to STEWART TITLE OF NEVADA HOLDINGS, INC., a Nevada corporation ("Trustee"), for the use and benefit of DORFINCO CORPORATION, a Delaware corporation ("Beneficiary"). Capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Loan Agreement (as defined below).

Trustor understands, acknowledges and agrees that the Note (as defined below) secured by this Deed of Trust was previously given to Beneficiary by THE CLUB AT CLEAR CREEK TAHOE, INC., a Nevada nonprofit corporation ("Borrower"), an affiliate of Trustor, pursuant to the terms and provisions of the Loan Agreement and the other Loan Documents (as such terms are defined below), and that therefore, this Deed of Trust is in the nature of a lent collateral or guarantee arrangement. Trustor acknowledges and agrees that Trustor is executing this Deed of Trust in favor of Beneficiary for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Trustor, and that Beneficiary would not have entered into the Third Loan Amendment (as defined below) but for Trustor executing and delivering this Deed of Trust.

1. Grant and Assignment. For good and valuable consideration, Trustor hereby irrevocably and unconditionally grants, transfers and assigns to Trustee, in trust, with power of sale and right of entry and possession, all right, title and interest of Trustor in and to the leasehold interest created by that certain Ground Lease (West Walker River Property), dated August 6, 2010, by and between CCT Founders, LLC, a Nevada limited liability company, as landlord ("Landlord"), and Trustor, as tenant, as the same may be amended from time to time ("Ground Lease"), which Ground Lease is further memorialized by that certain Memorandum of Lease, by and between Landlord and Trustor and recorded on August 6, 2010 as Instrument No. 768271, in the Official Records of Douglas County, Nevada, in and to that certain real property (the "Land"), located in the County of Douglas, State of Nevada, and more particularly described in Exhibit "A," attached hereto and incorporated herein by reference, together with all easements, rights, privileges, franchises and appurtenances thereto belonging or in any way pertaining to the Land, and any and all rights of first refusal, options and rights of first offer or similar rights and options, all of the estate, right, title, interest, claim and demand whatsoever of Trustor therein or thereto, either in law or equity, in possession or in expectancy, now or hereafter acquired (the "Leasehold Estate");

TOGETHER with all right, title and interest of Trustor in and to all streets, roads and public places, all easements and rights of way, public or private, tenements, hereditaments, rights and appurtenances, now or hereafter used in connection with, belonging to or appurtenant to the Land, and including, without limitation, all minerals, oil, gas and other hydrocarbon substances thereon or therein, before extraction, along with all rights to surface and subsurface entry, including, without limitation, any consumptive use permits issued by water management districts or other governmental agencies, and all of Trustor's right, title and interest in and to any and all licenses and permits pertaining to the use of reclaimed wastewater on the Land and all development rights or credits, oil, gas and mineral rights and all rights applicable or appurtenant to the Land; all oil, gas, other minerals and accounts constituting as-extracted collateral; air rights, water rights and allocations (of whatever kind or character, surface or underground, appropriative, riparian, decreed or vested); mineral rights, timber rights and development

rights, and any land lying in the streets, alleys, strips, gores, roads or avenues, open or proposed, in front of or adjoining the Land and Improvements (collectively, the "Appurtenances");

TOGETHER with all right, title and interest of Trustor in and to all buildings, structures, appurtenances and improvements now located or hereafter to be placed or constructed on the Land, all capital improvements and any additions to, substitutions for, changes in or replacements of the whole or any part thereof, whether or not physically affixed to the Land or any building or structure thereon, including such of the foregoing as may be used in connection with the generation or distribution of or to provide or supply air, water, heat, gas, electricity, power, light, fuel or refrigeration or for ventilation or sanitary purposes or for the exclusion of vermin or insects, or for the removal of dust, refuse or garbage now or at any time hereafter affixed to, attached to, placed upon or used in any way in connection with the use, enjoyment, occupancy or operation of the Land or the structures, buildings or improvements thereon or any portion thereof; all water, irrigation, sprinkler, frost protection, sanitary and storm sewer systems now or hereafter located by, over and/or upon the Land or any part thereof, and which water systems include all water mains, service laterals, hydrants, valves and appurtenances, and which sewer systems include all sanitary sewer lines, including mains, laterals, manholes and appurtenances; and all additions to, substitutions for, changes in or replacements of the whole or any part thereof (collectively, the "Improvements");

TOGETHER with all right, title and interest of Trustor in and to all equipment, machinery, fixtures, chattels, furniture, furnishings, inventory, merchandise, supplies and other articles of tangible personal property, and any additions to, substitutions for, changes in or replacements of the whole or any part thereof, together with all warranties associated therewith, now or at any time hereafter affixed to, attached to, placed upon or used in any way in connection with the use, enjoyment, occupancy or operation of the Land or the Improvements thereon or any portion thereof, or that in some fashion are deemed to be "Fixtures" to the Land or Improvements under the laws of the State of Nevada, including the Uniform Commercial Code of the State of Nevada, as amended from time to time (the "UCC"), including, without limitation, all materials, building materials and equipment now or hereafter delivered to the Land and intended to be installed in or about the same; all gas, electric and other utility equipment and fixtures, radiators, heaters, frost protection equipment, fans, ducts, compressors, engines, machinery, boilers, ranges, plumbing and heating equipment and fixtures; all light fixtures, chandeliers, draperies, curtains, window shades, window blinds, window screens, awnings and storm sashes, drapery and curtain rods and brackets, venetian blinds, carpeting and other floor coverings and paneling; all fire sprinklers, fire extinguishers and any other safety equipment, alarm and security systems; all built-in furniture and installations, escalators, elevators, shelving, partitions, door tops, vaults, dumb waiters, washers, dryers, sinks, water heaters, water fountains, mirrors, mantels, pictures, refrigerators, ice-making machines, ovens, cooking apparatus and appurtenances, disposals, restaurant and kitchen furniture, furnishings, equipment, inventory and supplies; all barbeque and picnic area equipment, fixtures, tables and supplies; all maintenance equipment, tools, inventory and supplies; computers and computer software and data, computer control lines and systems, audio/visual or communication equipment, telephone equipment, office equipment (including tables, chairs, planters, desks, sofas, shelves, lockers and cabinets), office machines, office furnishings and snack bar equipment; all pools, spas, pool and spa operation maintenance equipment and apparatus, satellite dishes, antennas and related distribution equipment and apparatus; all gazebos, trees, plants, landscaping, landscaping equipment, tools and supplies, frost protection, sprinkler and irrigation systems, facilities and equipment, valves and rotors, maintenance equipment and supplies, together with all items of Personal Property (as defined below) to the extent that they may be deemed "Fixtures" under any and all laws, statutes, codes, ordinances, regulations, enactments, decrees, judgments and orders of any courts, boards, agencies, commissions, offices or authorities of any nature whatsoever for or by any federal, state, county, district, municipal, or other political subdivision thereof or other governmental or quasi-governmental body, agency, authority or district exercising executive, legislative, judicial, regulatory or administrative functions (each, a "Governmental Authority" or collectively "Governmental Authorities"), whether now or later in existence and all additions to, substitutions for, changes in or replacements of the whole or any part thereof; and all Fixtures, as that term is defined in Article 9 of the UCC, as such definition may be amended from time to time (collectively, the "Fixtures").

TOGETHER with all right, title and interest of Trustor in and to any and all equipment, machinery, vehicles, fixtures, chattels, furniture, furnishings, instruments, all promissory notes, inventory, supplies and other articles of tangible and intangible personal property (including, but not limited to, all payment intangibles), and any additions to, substitutions for, changes in or replacements of the whole or any part thereof and commingled goods relating thereto, together with all warranties associated therewith, now or at any time hereafter affixed to, attached to, placed upon or used in any way in connection with the use, enjoyment, occupancy or operation of the Land or the Improvements or any portion thereof, including, but not limited to, all materials and equipment now or hereafter delivered to the Land or the Improvements and intended to be installed in or about the same; all gas, electric and other utility equipment and fixtures, radiators, heaters, incinerators, fans, ducts, compressors, engines, machinery, boilers, ranges, plumbing and heating equipment and fixtures; all light fixtures, chandeliers, draperies, curtains, window shades, window blinds, window screens, awnings and storm sashes, drapery and curtain rods and brackets, venetian blinds, carpeting and other floor coverings and paneling; all fire sprinklers, fire extinguishers and any other safety equipment, alarm and security systems; all built-in furniture and installations, escalators, elevators, shelving, partitions, door-tops, vaults, dumb-waiters, washers, dryers, sinks, water heaters, water fountains, mirrors, mantels, pictures, refrigerators, ice-making machines, ovens, cooking apparatus and appurtenances, disposals, restaurant and kitchen furniture, furnishings, equipment, inventory and supplies; gift shop and clubhouse furniture, furnishings, equipment, inventory, merchandise and supplies; maintenance equipment, tools, inventory and supplies; computers and computer software and data, web sites relating to the Fly Fishing Ranch Facility and its related Improvements and facilities, computer control lines and systems, audio/visual or communication equipment, telephone equipment, telephone numbers, office equipment (including tables, chairs, planters, desks, sofas, shelves, lockers and cabinets), office machines, office furnishings and snack bar equipment; all pools, spas, pool and spa operation maintenance equipment and apparatus, satellite dishes, antennas and related distribution equipment and apparatus; all gazebos, trees, plants, landscaping and landscaping equipment, tools and supplies, sprinkler and irrigation systems, facilities and equipment, valves and rotors, maintenance equipment and supplies; all inventory and merchandise; all accounts, deposit accounts, all deposit and impound accounts established with Beneficiary now or in the future pursuant to the terms and conditions of this Deed of Trust, all disbursed proceeds of financing commitments, money, other rights to payment and performance, accounts receivable, contract rights, securities and certificated securities, all certificates of deposit of Trustor in Beneficiary's possession and all bank accounts of Trustor with Beneficiary and their proceeds, if any; all of Trustor's trade names (including the trade name "The Club at Clear Creek Tahoe" and any and all derivative forms thereof, whether or not registered), trademarks, symbols, service marks and goodwill associated with the Land and the Improvements and any and all state and federal applications and registrations now or later used in connection with the use or operation of the Land and the Improvements; and all Accounts, Chattel Paper, Deposit Accounts, Documents, Equipment, Goods, General Intangibles, Instruments, Inventory, Investment Property, Letters of Credit, Letter of Credit Rights, Supporting Obligations, and Proceeds, as those terms are defined in Article 9 of the UCC, as such definitions may be amended from time to time, and all products and proceeds (including, but not limited to, all insurance payments) of or relating to all of the foregoing property, and all records and data of any kind relating to any of the foregoing (including embedded software and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media (collectively, the "Personal Property");

TOGETHER with all right, title and interest of Trustor in and to all refunds, rebates, reimbursements, reserves, deferred payments, deposits, letters of credit, bonds, surety bonds, cost savings, governmental subsidy payments, governmentally registered credits (such as emissions reduction credits), other credits, waivers and payments, whether in cash or in kind, due from or payable by: (i) any Governmental Authority; or (ii) any insurance or utility company relating to any or all of the Property (as defined below) or arising out of the satisfaction of any conditions imposed upon or the obtaining of any approvals for the development of the Land and/or the Improvements; all refunds, rebates, reimbursements, credits and payments of any kind due from or payable by any Governmental Authority for any taxes, special taxes, assessments, or similar governmental or quasi-governmental charges or levies imposed upon Trustor with respect to the Land or the Improvements or arising out of the satisfaction of any conditions imposed upon or the obtaining of any approvals for the development of the Land and/or the Improvements; and any and all awards or payments, including interest thereon, and the

right to receive the same as a result of the exercise of the right of eminent domain, the alteration of the grade of any street or any other injury to, taking of or decrease in the value of the Land and/or the Improvements (collectively, the "Reimbursements");

TOGETHER with all right, title and interest of Trustor in and to all permits, licenses (including liquor and other alcoholic beverage licenses to the extent allowed by law), registrations, authorizations, bonds, privileges, franchises, concessions, Entitlements, approvals, land use rights, development rights, certificates of occupancy and other rights and approvals, whether of Governmental Authorities and/or any other Person, and all applications for any of the foregoing, arising out of or related to the Land or the Improvements, and/or the ownership, operation, maintenance, management, construction and/or development of the Land or the Improvements, whether now existing or hereafter arising or acquired, including, without limitation, those which may be applicable to the Land and Improvements, as specifically set forth in and attached to the Certificate of Borrower and Guarantors (as defined below) (collectively, the "Permits and Licenses");

TOGETHER with all right, title and interest of Trustor in and to all contracts, agreements (including, without limitation, management agreements, leasing agreements, licensing agreements, sponsorship agreements, membership agreements, the Club Transfer Agreement, utility contracts, maintenance contracts, service contracts, warranties and operating agreements and deposits for the foregoing), insurance policies, appraisals, reports, certifications, studies and assessments which relate in any way to the Property, whether now existing or hereafter arising or acquired; all membership, sponsorship and/or license agreements now existing or hereafter created which grant the holder thereof any rights to use the Real Property or any portion thereof including, without limitation, all contracts and agreements in connection with tournaments, banquets, weddings, bar mitzvahs, bat mitzvahs, special events and other similar types of group outings or functions (collectively, the "TBSE Contracts"); and all architectural, engineering and similar plans, specifications, drawings, renderings, profiles, studies, shop drawings, reports, plats, surveys, construction contracts, subcontracts, bids and the like relating to the Land and/or the Improvements; all of Trustor's right, title and interest in all declarations of covenants, conditions and restrictions as may affect or otherwise relate to the Real Property; and all rights and benefits under any of the foregoing, now or at any time hereafter entered into by Trustor, any manager, member, officer, or any other Person on behalf of Trustor, which relate in any way to the Real Property (collectively the "Contracts");

TOGETHER with all right, title and interest of Trustor in and to all proceeds (including claims or demands thereto) from: (i) all membership initiation fees and deposits, membership transfer fees, membership dues, member food and beverage minimums, guest fees and all other revenue derived from any source whatsoever arising out of or related to the Real Property or any portion thereof including, without limitation, equipment rental fees, boat rental fees, water sports equipment rental fees; food and beverage receipts, retail sales receipts, TBSE Contract receipts, deposits, late fees and charges and all other revenues and receipts of any kind whatsoever; (ii) the conversion, voluntary or involuntary, of the Leasehold Estate, Appurtenances, Improvements, Fixtures, Personal Property, Reimbursements, Permits and Licenses, Contracts, Leases and Rents, or any part thereof, into cash or liquidated claims including, without limitation, proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments in lieu thereof made by any public body or decree by any court of competent jurisdiction for taking or for degradation of the value in any condemnation or eminent domain proceeding; (iii) all judgments, awards of damages and settlements hereafter made, causes of action and the proceeds thereof of all types for any damage or injury to the Land, Leasehold Estate, Appurtenances, Improvements, Fixtures, Personal Property, Reimbursements, Permits and Licenses, Contracts, Leases and Rents or any part thereof including, without limitation, causes of action arising in tort or contract and causes of action for fraud or concealment of a material fact; (iv) all rights to the payment of money, including deposits and escrow proceeds arising out of the sale or other disposition of all or any portion of the Property, together with any and all receivables now or hereafter due to Trustor in connection with any such sales or dispositions; (v) all loan commitments issued to Trustor in connection with any sale or financing of the Property; (vi) all supplements, modifications and amendments to the foregoing; and (vi) all "Proceeds," as that term is defined in Article 9 of the UCC, as such definition may be amended from time to time (collectively, the "Proceeds"). Trustor and Beneficiary hereby acknowledge and agree that

the Proceeds constitute "proceeds, product, offspring or profits" ("BC Profits"), for purposes of Section 552(b) of the United States Bankruptcy Code, as amended ("Bankruptcy Code").

IN ADDITION, Trustor absolutely, irrevocably, presently and unconditionally grants, conveys, transfers and assigns to Beneficiary all right, title and interest of Trustor in and to any and all existing and future agreements, tenancies, leases, subleases, licenses, concession agreements, rental agreements or other oral or written contracts and agreements relating to use and possession of any of the Land or the Improvements (including, without limitation, all TBSE Contracts), together with all modifications, extensions, replacements and renewals thereof and all guarantees of and security for the obligations of any and all lessees under such leases and agreements, together with all memberships and/or licenses now existing or hereafter created which grant the holder thereof any rights to use the Real Property or any portion thereof (collectively "Leases"), and any and all membership initiation fees and deposits, membership transfer fees, membership dues, member food and beverage minimums, guest fees and all other revenue derived from any source whatsoever arising out of or related to the Real Property or any portion thereof including, without limitation, equipment rental fees, boat rental fees, water sports equipment rental fees; food and beverage receipts, retail sales receipts, TBSE Contract receipts, deposits, late fees and charges and all other revenues and receipts of any kind whatsoever; and any and all existing and future rents, including, without limitation, all security deposits and other deposits, base rents, additional rents, percentage rents, advance rents, parking revenue, parking or common area maintenance reimbursements or payments, tax and insurance reimbursements or payments, late charges, liquidated damages, cancellation premiums, proceeds from loss of rents and/or business interruption insurance policies and monies due for services, materials or installations; and any and all rights and claims of any kind which Trustor may have under the Leases; and any awards payable to Trustor in lieu of rent pursuant to any bankruptcy, insolvency or reorganization court proceeding involving any lessees under the Leases, together with all royalties, issues, profits, revenue, income and proceeds therefrom and all guarantees, deposits (to the full extent permitted by law) and other security therefor (collectively "Rents"). Trustor and Beneficiary hereby acknowledge and agree that Rents constitute BC Profits for purposes of Section 552(b) of the Bankruptcy Code.

The Leasehold Estate, Appurtenances, Improvements, Fixtures, Personal Property, Reimbursements, Permits and Licenses, Contracts, Proceeds, Leases, Rents and all other right, title and interest of Trustor described above are hereinafter collectively referred to as "Property." The Land, the Appurtenances, the Improvements and the Fixtures shall sometimes collectively be referred to herein as the "Real Property."

2. Secured Obligations.

(a) Trustor makes this Deed of Trust for the purpose of securing:

(i) Payment of all indebtedness and the performance of all other obligations contained in that certain Promissory Note, dated August 6, 2008, in the original principal sum of up to Twenty-Seven Million Dollars (\$27,000,000.00), made by Borrower to the order of Beneficiary, as amended by the First Loan Amendment, the Second Loan Amendment and the Third Loan Amendment (as such terms are defined below), together with all extensions, renewals and modifications of the same (the "Note"), to evidence a loan (the "Loan") made by Beneficiary to Borrower;

(ii) Payment of all indebtedness and the performance of all other obligations of Trustor under this Deed of Trust, together with all extensions, renewals and modifications of the same; including payment of all sums expended or advanced by Beneficiary hereunder, together with interest thereon at the rate set forth in this Deed of Trust;

(iii) Payment of all indebtedness and the performance of all other obligations of Borrower under the following documents, agreements and instruments, each of even date herewith, together with all extensions, renewals and modifications of the same:

(A) That certain Construction Loan Agreement, dated for reference purposes as of August 6, 2008, by and between Borrower and Beneficiary ("Original Loan Agreement"), as amended by that certain First Amendment to Construction Loan and Loan Documents, dated for reference purposes as of April 29, 2009 ("First Loan Amendment"), as further amended by that certain Forbearance Agreement and Second Amendment to Construction Loan and Loan Documents, dated for reference purposes as of September 14, 2009 ("Second Loan Amendment"), and as further amended by that certain First Amendment to Forbearance Agreement and Third Amendment to Construction Loan and Loan Documents, dated for reference purposes as of August 6, 2010 ("Third Loan Amendment") (the Original Loan Agreement, as amended by the First Loan Amendment, the Second Loan Amendment and the Third Loan Amendment shall collectively be referred to as the "Loan Agreement");

(B) That certain Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing, dated for reference purposes as of August 6, 2008, executed by Borrower in favor of Beneficiary and recorded in the Official Records of Douglas County, Nevada, on August 29, 2008 as Document No. 2008-729163, as amended by the First Loan Amendment, the Second Loan Amendment and Second Amendment Loan Documents (as defined in the Second Loan Amendment) including that certain First Amendment to Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing, dated for reference purposes as of September 14, 2009, executed by Borrower in favor of Beneficiary and recorded in the Official Records of Douglas County, Nevada, on September 17, 2009 as Document No. 2009-750806, and as the same may be amended from time to time (the "Golf Course Deed of Trust");

(C) That certain Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing, dated for reference purposes as of August 6, 2008, executed by Borrower in favor of Beneficiary and recorded in the Official Records of El Dorado County, California, on August 29, 2008 as Document No. 2008-0042799-00, as amended by the First Loan Amendment, the Second Loan Amendment and Second Amendment Loan Documents, including that certain First Amendment to Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing, dated for reference purposes as of September 14, 2009, executed by Borrower in favor of Beneficiary and recorded in the Official Records of El Dorado County, California, on September 18, 2009 as Document No. 2009-47352, and as the same may be amended from time to time (the "Beach Club Deed of Trust"),

(D) That certain Assignment of Contracts and Permits and Licenses made by Borrower in favor of Beneficiary;

(E) That certain Assignment and Subordination Agreement (Developer Membership Rights), made by Trustor in favor of Beneficiary,

(F) That certain Assignment of Water Agreement made by Borrower in favor of Beneficiary;

(G) That certain Assignment of Marketing/Access/Use Agreement, made by Borrower in favor of Beneficiary;

(H) That certain Assignment of License Agreement (Trade Name/Logo), made by Borrower in favor of Beneficiary;

(I) That certain Assignment of Club Transfer Agreement, made by Borrower in favor of Beneficiary;

(J) That certain Notice and Consent Agreement (Membership Reserve Account) made by Escrow Agent and Borrower in favor of Beneficiary;

(K) That certain Notice and Consent Agreement (Operating Reserve Account) made by Escrow Agent and Borrower in favor of Beneficiary;

(L) Those certain Sub-Debt Subordination Agreements made by Borrower and Sub-Debt Lender in favor of Beneficiary, if any;

(M) That certain Club Transfer Tri-Party Agreement, made by Borrower and Trustor in favor of Beneficiary;

(N) Subject to Section 2(b) below, that certain Certificate of Borrower and Guarantors, made by Borrower, and Guarantors (as defined in Section 2(b) below), for the benefit of Beneficiary ("Certificate of Borrower and Guarantors");

(O) That certain Post Closing Agreement made by Borrower in favor of Beneficiary; and

(P) Subject to Section 2(b) below, such other documents, agreements, assignments and instruments of the dates specified therein which by their terms evidence or secure the Note and/or the Loan, together with all extensions, renewals and modifications of the same.

The Note, this Deed of Trust and all of the other documents, agreements and instruments described in this Section 2(a)(iii), together with all extensions, renewals and modifications of the same, shall collectively be referred to as the "Loan Documents."

(iv) Payment of all sums advanced or paid by Beneficiary under any provision of this Deed of Trust, or to protect the security of this Deed of Trust, together with interest thereon as herein provided;

(v) The payment of all future loans or advances made by Beneficiary to Borrower (or any successor-in-interest to Borrower as the owner of all or any part of the "Real Property" (as such term is defined in the Golf Course Deed of Trust)), pursuant to one or more of the Loan Documents or otherwise, when such loan or advance is evidenced by a writing which states that it is secured by the Golf Course Deed of Trust and/or this Deed of Trust, together with all extensions, renewals and modifications of the same. Without limiting the foregoing terms and conditions, all Debt Service Reserve Advances and all Construction Advances shall constitute a portion of the principal balance of the Note and shall be secured by the Golf Course Deed of Trust, the Beach Club Deed of Trust and this Deed of Trust;

(vi) All extensions, renewals and modifications (if any) of one or more of the obligations secured hereby including, without limitation: (i) modifications of the required principal payment dates or interest payment dates, deferring or accelerating payment dates wholly or partly; and (ii) extensions, renewals and modifications at a different rate of interest whether or not, in the case of a note or other contract, the extension, renewal or modification is evidenced by a new or additional promissory note or other contract.

(b) The indebtedness and other obligations secured by this Deed of Trust are herein collectively called the "Secured Obligations." All persons who may have or acquire an interest in the Property shall be deemed to have notice of, and shall be bound by, the terms of the Note, this Deed of Trust and all other Loan Documents and each of the Secured Obligations and all extensions, renewals and modifications thereof, as the same may be amended from time to time. Notwithstanding the foregoing, the Loan Documents exclude: (i) that certain Environmental Indemnity Agreement, dated of even date herewith (the "EIA") made by Trustor in favor of Beneficiary, together with all extensions, renewals and modifications of the same; (ii) that certain Guaranty Agreement, dated of even date herewith, made by James S. Taylor, an individual ("JST") and the James S. and Denise G. Taylor Family Trust, U/T/D dated July 3, 1991 ("Taylor Trust"), as the guarantors thereunder (collectively, the "Payment

Guarantors; and any reference to a "Payment Guarantor" shall mean either JST and/or Taylor Trust), in favor of Beneficiary, together with all extensions, renewals and modifications of the same (the "Payment Guaranty Agreement"); (iii) that certain Completion Guaranty Agreement, dated of even date herewith, made by JST and the Taylor Trust, as the completion guarantors thereunder (collectively, the "Completion Guarantors;" and any reference to a "Completion Guarantor" shall mean either JST and/or Taylor Trust), in favor of Beneficiary, together with all extensions, renewals and modifications of the same (the "Payment Guaranty Agreement"), and the Payment Guarantor and the Completion Guarantor shall collectively be referred to as the "Guarantor"; and (iv) the Certificate of Borrower and Guarantors, insofar as it imposes any obligations upon any Guarantor.

3. Leases and Rents.

(a) Assignment of Leases and Rents. For the purposes of securing the full and timely payment and performance of the Secured Obligations, Trustor hereby irrevocably grants, bargains, transfers, conveys and assigns to Beneficiary the Leases and Rents, to be effective to create a present second priority position security interest in existing and future Leases and Rents of the Property under the laws of the State of Nevada, subject to the provisions of Section 3(d) hereof.

(b) No Responsibility. The assignment of the Leases and Rents pursuant to this Deed of Trust is intended to confer upon Beneficiary all rights, and impose upon Trustor all duties and obligations, under the laws of the State of Nevada, as the same may be amended from time to time, or any successor statute, and is intended to be construed in accordance with said statutory requirements. Neither the Assignment of Leases and Rents set forth above nor any other provision of any of the Loan Documents shall impose upon Beneficiary any duty to produce Rents from the Real Property or cause Beneficiary to be: (i) a "mortgagee in possession" for any purpose; (ii) responsible for performing any of the obligations of the landlord or lessor under any Lease; or (iii) responsible or liable for any waste by any lessees or any other parties, for any dangerous or defective condition of the Real Property, for any negligence in the management, upkeep, repair or control of the Real Property or for any other act or omission by any other person.

(c) Beneficiary's Rights Not Contingent. Beneficiary's rights to the Rents and Leases are not contingent upon and may be exercised without possession of the Property. Trustor and Beneficiary further agree that, during the term of this assignment, the Rents shall not constitute property of Trustor (or of any estate of Trustor) within the meaning of Section 541 of the Bankruptcy Code, as amended from time to time.

(d) Trustor's Right to Collect Rents. So long as an Event of Default, as said term is defined in the Loan Documents, does not exist under any of the Loan Documents, Beneficiary grants Trustor permission to enforce the Leases, to operate, maintain, repair and restore the Property, and to collect, retain, use and hold the Rents, all subject to and in accordance with this Deed of Trust and the other Loan Documents. Except as otherwise provided in this Deed of Trust or the Loan Documents, Trustor shall apply any Rents it receives to the payments as they become due on the Secured Obligations, taxes, assessments, water charges, sewer expenses and other governmental charges levied, assessed or imposed on the Property, insurance premiums, operation and maintenance charges relating to the Property, and other obligations of Trustor under the Leases before using such proceeds for any other purpose.

(e) Termination of Trustor's Rights. At any time an Event of Default exists, the rights granted to Trustor under Section 3(d) hereof shall be automatically revoked and Beneficiary shall have the rights set forth under the laws of the State of Nevada regardless of whether declaration of default has been delivered to Trustee, and Beneficiary shall have the right to enforce its rights to receive Rents under this assignment and to terminate the rights granted to Trustor in Section 3(d) hereof. Upon the occurrence of such an Event of Default, Trustor shall promptly deliver to Beneficiary all Rents then held by Trustor, and Beneficiary shall immediately be entitled to receive and apply all Rents. After such enforcement, Beneficiary in its sole discretion may apply any Rents collected as provided in Section 3(h) hereof. Failure of or discontinuance by Beneficiary at any time, or from time to time, to collect any Rents shall not in any

manner affect the subsequent enforcement by Beneficiary at any time, or from time to time, of the right, power and authority to collect the Rents. The receipt and application by Beneficiary of all such Rents, after execution and delivery of declaration of default and demand for sale or during the pendency of trustee sale proceedings under the Deed of Trust, shall not cure such breach or default, nor affect such sale proceedings or any sale made under the Deed of Trust. Nothing in this assignment, nor the exercise of the right by Beneficiary to collect the Rents pursuant hereto, shall be, or shall be construed to be, an affirmation by Beneficiary of any Lease. If the Rents are insufficient to meet the costs, if any, of taking control of the operation and management of the Property and collecting the Rents, any funds expended by Beneficiary for such purposes shall be deemed an advance by Beneficiary to Trustor, secured by this Deed of Trust. Unless Beneficiary and Trustor agree in writing to other payment terms, such amounts shall be payable on notice from Beneficiary to Trustor requesting payment, and shall bear interest from the date of disbursement at the Default Rate (as defined in the Note) stated in the Note. From and after the occurrence of an Event of Default, any and all Rents collected or received by Trustor shall be accepted and held for Beneficiary in trust and shall not be commingled with Trustor's funds and property, but shall be promptly paid over to Beneficiary.

(f) Remedies Upon an Event of Default. At any time an Event of Default exists and without regard to the adequacy of any security for the obligations secured hereby, Beneficiary shall have the right, in addition to the rights granted pursuant to this Section 3, to collect all or any portion of the Rents assigned hereby in person, by agent or through a court appointed receiver or pursuant to a notice to the lessees or by any other means set forth under the laws of the State of Nevada. Such rights shall include, without limitation, any and all of the following:

(i) The right to notify the lessees under the Leases, with or without taking possession of the Property, to demand that all Rents under such Leases thereafter be paid to Beneficiary;

(ii) The right to: (A) enter into possession of the Property, either by a court appointed receiver or by any other legally permissible means; (B) assume control with respect to and to pay all expenses incurred in connection with the development, construction, operation, maintenance, repair or restoration of the Property; (C) enforce all Leases and to collect all Rents due thereunder, and to apply all Rents received by Beneficiary as set forth herein, (D) amend, modify, extend, renew and terminate any or all Leases or to execute new Leases; and (E) do all other acts which Beneficiary shall determine, in its sole discretion, to be necessary or desirable to carry out the purposes of and enforce this assignment; and

(iii) The right to specifically enforce the provisions of this assignment and, if Beneficiary shall so select, to obtain the appointment of a receiver pursuant to and in accordance with the provisions of this Deed of Trust.

(g) Leases. Trustor and Beneficiary agree that all lessees under any Leases shall be bound by and required to comply with the provisions of this assignment. In connection therewith, Trustor and Beneficiary further agree as follows:

(i) If requested by Beneficiary, Trustor shall: (A) notify each lessee under any Lease now or hereafter affecting all or any portion of the Real Property of the existence of this assignment and the rights and obligations of Trustor and Beneficiary hereunder; (B) provide each present or future lessee with a copy of this assignment; and (C) obtain each lessee's agreement to be bound and comply with the provisions hereof.

(ii) All leases hereafter executed with respect to the Property or any portion thereof shall contain a reference to this assignment and shall state that such lessee shall be bound by and shall comply with the provisions hereof.

(iii) At any time an Event of Default exists, Beneficiary may, at its option, send any lessee a notice in compliance with the laws of the State of Nevada to the effect that: (A) an Event of Default has occurred and that Beneficiary has revoked Trustor's right to collect the Rents; (B)

Beneficiary has elected to exercise its rights under this assignment and under the laws of the State of Nevada; and (C) such lessee is thereby directed to thereafter make all payments of Rents and to perform all obligations under its Lease for the benefit of Beneficiary or as Beneficiary shall direct.

(iv) Upon receipt of any such notice from Beneficiary, each lessee is hereby instructed by Trustor and Beneficiary to comply with the provisions of such notice, to make all payments of Rents and to perform all obligations under the Lease to and for the benefit of Beneficiary or as Beneficiary shall direct. Such notice and direction shall remain effective until the first to occur of (A) the receipt by lessee of a subsequent notice from Beneficiary to the effect that such Event of Default has been cured or that Beneficiary has appointed Trustor to act as agent for Beneficiary pursuant to this assignment; (B) the appointment of a receiver pursuant to this assignment, in which event such lessee shall thereafter make payments of Rents and perform all obligations under the Leases as may be directed by such receiver; or (C) the issuance of an order of a court of competent jurisdiction terminating this assignment or otherwise directing such lessee to pay Rents and perform its obligations in a manner inconsistent with said notice.

(v) Each lessee shall be entitled to rely upon any notice from Beneficiary and shall be protected with respect to any payment of Rents made pursuant to such notice.

(vi) Each lessee who receives a notice from Beneficiary pursuant to this assignment shall not be required to investigate or determine the validity or accuracy of such notice or the validity or enforceability of this assignment. Trustor hereby agrees to indemnify, defend and hold such lessee harmless from and against any and all loss, claim, damage or liability arising from or related to payment of Rents or performance of obligations under any Lease by such lessee made in good faith in reliance on and pursuant to such notice.

(vii) The payment of Rents to Beneficiary pursuant to any such notice and the performance of obligations under any Lease to or for the benefit of Beneficiary shall not cause Beneficiary to assume or be bound by the provisions of such Lease, including, but not limited to, any duty to return any security deposit to the lessee under such Lease unless and to the extent such security deposit was paid to Beneficiary by Trustor. Trustor hereby releases all claims of any kind or nature against Beneficiary arising out of any management, operation and maintenance pursuant to this Deed of Trust. It is not the intention of the parties hereto that an entry by Beneficiary upon the Real Property under the terms of this Deed of Trust shall make Beneficiary a party in possession in contemplation of the law, except at the option of Beneficiary.

(viii) The provisions of this Section 3(g) are expressly made for the benefit of and shall be binding on and enforceable by each lessee under any Lease now or hereafter affecting all or any portion of the Real Property.

(h) Application of Rents. All Rents received by Beneficiary pursuant to this assignment shall be applied by Beneficiary, in its sole discretion, to any of the following:

(i) First, to pay any costs and expenses of collection of the Rents or otherwise enforcing or defending the terms of or Beneficiary's rights under, this assignment of Leases and Rents, including, without limitation, reasonable attorneys' fees and costs, that may be incurred by Beneficiary;

(ii) Second, to pay any costs and expenses incurred by Beneficiary in connection with the development, construction, operation, maintenance, repair or restoration of the Property, including, without limitation, debt service, insurance and taxes;

(iii) Third, to the payment of any other indebtedness then owing by Trustor, if any, to Beneficiary under this Deed of Trust;

(iv) Fourth, to the payment of any indebtedness then owing by Borrower to Beneficiary;

(v) Fifth, to the establishment of reasonable reserves for working capital and for anticipated or projected costs and expenses of the Property, including, without limitation, Capital Improvements which may be necessary or desirable or required by law; and

(vi) Thereafter, to remit the remainder, if any, to the person or persons entitled thereto.

(vii) In connection herewith, Trustor further agrees that all Rents received by Beneficiary from any lessee may be allocated, if Beneficiary so elects, to the payment of all current obligations of such lessee under its Lease and not to amounts which may be accrued and unpaid as of the date of revocation of Trustor's license to collect such Rents. Beneficiary may, but shall have no obligation to, pursue any lessee for the payment of Rents which may be due under its Lease with respect to any period prior to the exercise of Beneficiary's rights under this assignment or which may become due thereafter. Beneficiary shall not be liable to any lessee for the payment or return of any security deposit under any Lease unless and to the extent that such security deposit has been paid to and received by Beneficiary, and Trustor agrees to indemnify, defend and hold harmless Beneficiary, its officers, directors, shareholders, agents, and employees, any parent, subsidiary or affiliated company of Beneficiary, owners of participation interests in the Loan or the Loan Documents, any purchasers who acquire all or part of the Real Property at any foreclosure sale, any recipient of a deed or assignment in lieu of foreclosure of all or part of the Real Property and the officers, directors, shareholders, partners, members, managers, employees and agents of each of them, and the successors and assigns of each of the foregoing, from and against any and all losses, claims, actions, suits, damages, expenses (including attorneys' fees and costs), or liabilities arising out of any claim by a lessee with respect thereto. Trustor further agrees that the collection of Rents by Beneficiary and the application of such Rents by Beneficiary to the costs, expenses and obligations referred to herein shall not cure or waive any default or Event of Default or invalidate any act done (including, but not limited to, any sale of all or any portion of the Property or any property now or hereafter securing the Loan), in response to or as a result of such Event of Default or pursuant to any notice of default or notice of sale issued pursuant to this Deed of Trust.

(i) Appointment of Trustor as Agent.

(i) Upon the occurrence of an Event of Default, Beneficiary may, at its option, appoint Trustor to act as agent for Beneficiary for the purpose of: (A) managing and operating the Property and paying all expenses incurred in connection therewith and approved by Beneficiary; (B) enforcing the provisions of the Leases; and (C) collecting all Rents due thereunder.

(ii) If Beneficiary so elects, Beneficiary shall give written notice thereof to Trustor to act as agent of Beneficiary for the purpose or purposes specified in such notice. Trustor shall promptly comply with all instructions and directions from Beneficiary with respect thereto. Trustor shall not be entitled to any management fee, commission or other compensation unless expressly agreed to in writing by Beneficiary.

(iii) All Rents collected by Trustor as agent for Beneficiary shall be immediately deposited in an insured account established with Beneficiary. All such Rents collected by Trustor and all amounts deposited in such account, including interest thereon, shall be the property of Beneficiary, and Trustor shall not be entitled to withdraw any amount from such account without the prior written consent of Beneficiary.

(iv) The agency hereby created shall be for the purpose of implementing the provisions of this assignment and collecting the Rents due Beneficiary hereunder. Nothing contained herein shall place upon Beneficiary the responsibility for the management, control, operation, repair, maintenance or restoration of the Property, nor shall Beneficiary be liable under or be deemed to have

assumed Trustor's obligations with respect to the Leases. Beneficiary may at any time terminate the agency relationship with Trustor by written notice to Trustor.

(j) Covenants Regarding Leases and Rents. Trustor covenants and agrees as follows:

(i) Trustor shall not: (A) amend, modify or change in any material respect, any term, covenant or condition of any Lease in existence on the date of this Deed of Trust without the prior written consent of Beneficiary; or (B) enter into any new Lease of the Property from and after the date of this Deed of Trust without the prior written consent of Beneficiary. Trustor shall submit to Beneficiary, for Beneficiary's prior written approval, the final proposed written form of any new Lease or any amendment or modification to an existing Lease accompanied by any additional tenant estoppel or certification requested by Beneficiary. Assuming Beneficiary approves in writing any proposed new Lease or any amendment or modification to an existing Lease, within five (5) Calendar Days after executing a new Lease or an amendment or modification to an existing Lease, Trustor shall deliver an executed copy of the same to Beneficiary certifying that such is a true, correct and complete copy of such new Lease or amendment or modification to an existing Lease.

(ii) Trustor shall, at Trustor's sole cost and expense: (A) fulfill or perform each and every condition, obligation and covenant of each Lease to be fulfilled or performed by the lessor thereunder; (B) give prompt notice to Beneficiary of any notice of default by the lessor or the lessee thereunder received by Trustor together with a complete copy of any such notice; (C) enforce the performance of each and every obligation, covenant and condition thereof by the lessee thereunder to be performed.

(iii) Trustor shall not (A) waive or release any lessee of or from its covenants or obligations under the Leases; (B) cancel, terminate or consent to any surrender of any Lease; (C) commence any action or any summary proceedings for dispossession of any of the lessees under the Leases; or (D) exercise any right of repossession of the leased premises in any of the Leases, in each case without Beneficiary's prior written consent.

(iv) Trustor shall not permit the payment of Rents in any form other than lawful money of the United States of America. Trustor shall not accept any deposit or prepayment of Rent in excess of thirty (30) Calendar Days in advance, other than deposits or prepayments received for TBSE Contracts which may be accepted by Beneficiary up to one (1) year in advance. Beneficiary at any time may require that all deposits and prepayments be delivered to Beneficiary.

(v) Each Lease shall provide for the subordination, in form and substance satisfactory to Beneficiary, of such Lease to this Deed of Trust and all extensions, renewals and modifications hereof. In addition, each Lease shall provide that, in the event of the enforcement by Trustee or Beneficiary of the remedies provided at law or by this Deed of Trust, each lessee under the Leases shall, if requested by Beneficiary as a result of such enforcement, automatically become the lessee of such successor and attorn to such successor, without any change in the terms or other provisions of the respective Lease; provided, such successor shall not be: (A) bound by any payment of rent or other sum more than thirty (30) Calendar Days in advance, except payments in the nature of a security deposit; (B) bound by any amendment or modification to any material term, covenant or condition of any Lease made without the prior written consent of Beneficiary; and (C) liable for damages or any act or omission of Trustor or any prior lessor.

(vi) If Trustor becomes aware that any lessee proposes to do, or is doing, any act that may give rise to set-off rights against Rents, Trustor shall immediately (A) take such measures as shall be reasonably calculated to prevent the accrual of any such rights of set-off; (B) notify Beneficiary of all measures so taken and of the amount of any set-offs claimed by such lessees; and (C) within ten (10) Calendar Days after the accrual of any set-off rights against Rents, reimburse lessees who have acquired such rights, in full, or take such other measures as shall effectively discharge such set-offs and ensure that Rents due thereafter shall continue to be payable without claims of set-off or deduction.

(vii) If any Lease is terminated before its stated term has expired, all payments made by the lessee in conjunction with such termination (including, but not limited to, voluntary buyout or termination payments, or payments made by or on the lessee's behalf, incident to the lessee's rejecting the Lease in accordance with the federal Bankruptcy Code (or similar state creditors' rights laws)), shall be made directly to Beneficiary, and Trustor shall have no right to any such payments.

(viii) Upon request by Beneficiary, Trustor shall provide Beneficiary with true, correct and complete copies of all Leases, all books, records, financial statements and other information relating to the Leases, the collection of all Rents, and the disposition and disbursement thereof, together with such other information relating to the Leases or to the lessees thereunder as Beneficiary shall reasonably request.

(ix) Trustor hereby represents and warrants that the assignment hereby granted is a second priority assignment and that no other assignments of all or any portion of the Rents or the Leases exist or remain outstanding except as otherwise previously disclosed to Beneficiary. Trustor agrees to take such action and to execute, deliver and record such documents as may be reasonably necessary to evidence such assignment, and to establish the priority thereof and to carry out the intent and purpose hereof. If requested by Beneficiary, Trustor shall execute a specific assignment of any Lease now or hereafter affecting all or any portion of the Real Property.

(x) Nothing contained herein shall operate or be construed to obligate Beneficiary to perform any of the terms, covenants and conditions contained in any Lease or otherwise to impose any obligation upon Beneficiary with respect to any Lease, including, but not limited to, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such Lease shall have been joined as a party defendant in any action to foreclose and the estate of such lessee shall have been thereby terminated. Prior to actual entry into and taking possession of the Property by Beneficiary, this assignment shall not be construed to obligate or operate to place upon Beneficiary any responsibility for the operation, control, care, management or repair of the Property or any portion thereof. The execution of this assignment by Trustor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Property is and shall be that of Trustor, prior to such actual entry and taking of possession.

Provided there is no uncured Event of Default, the provisions of Sections 3(j)(i), (iii), (iv), (v) and (vii) hereof, shall not be applicable to TBSE Contracts and/or Memberships.

4. Covenants of Trustor. Trustor covenants, warrants and agrees to and with Beneficiary and Trustee as follows:

(a) Further Acts. Trustor, at its own cost and without expense to Trustee or Beneficiary, will do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as Trustee or Beneficiary shall from time to time reasonably require, for the better assuring, conveying, assigning, transferring and confirming unto Trustee and Beneficiary the property and rights hereby conveyed or assigned or intended now or hereafter so to be, or which Trustor may be or may hereafter become bound to convey or assign to Trustee or Beneficiary, or for carrying out the intention or facilitating the performance of the terms of this Deed of Trust, or the filing, registering or recording this Deed of Trust and, on demand, Trustor will execute and deliver, and hereby authorizes Trustee or Beneficiary to execute in the name of Trustor to the extent Trustor may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Property; and each instrument of further assurance, to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect the lien hereof upon, the title of Trustee to, and the security interest of Beneficiary in, the Property.

(b) Filing Fees. Trustor will pay all filing, registration and recording fees, and all expenses incident to the execution and acknowledgment of this Deed of Trust, and any deed of trust supplemental hereto, any security instrument with respect to the Personal Property, and any instrument of



further assurance, and all federal, state, county and municipal stamp taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Note, this Deed of Trust, any deed of trust supplemental hereto, any security instrument with respect to the Personal Property or any instrument of further assurance.

5. Hazardous Substances.

(a) Definitions. For the purposes of this paragraph the following terms shall have the following meanings. The term "Hazardous Substances" shall mean, in the broadest and most comprehensive sense, all hazardous wastes, toxic substances, pollutants, contaminants, radioactive materials, flammable explosives, other such materials including, without limitation, substances defined as "hazardous substances," "hazardous materials," "toxic substances," "toxic pollutants," or "infectious waste" in any Environmental Laws and, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum products (including any products or by-products therefrom, such as gasoline, diesel fuel and petroleum hydrocarbon products), lead-based paints, and any material containing or constituting any of the foregoing, and any such other substances, materials and wastes which are regulated now or in the future under any Environmental Laws.

The term "Environmental Law(s)" shall mean: (i) the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984 (RCRA, 42 U.S.C. Sections 6901 *et seq.*); (ii) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (CERCLA, 42 U.S.C. Sections 9601 *et seq.*); (iii) the Federal Clean Water Act, as amended (CWA, 33 U.S.C. Sections 1251, *et seq.*); (iv) the Safe Drinking Water Act (14 U.S.C. Sections 1401, *et seq.*); (v) the Toxic Substances Control Act (TSCA, 15 U.S.C. Sections 2601 *et seq.*); (vi) the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, *et seq.*); (vii) the Emergency Planning and Community Right to Know Act of 1986 (42 U.S.C. Sections 11001, *et seq.*); (viii) the Clean Air Act (42 U.S.C. Sections 7401, *et seq.*); (ix) the Endangered Species Act (16 U.S.C. Sections 1531, *et seq.*); (x) the Occupational Safety and Health Act of 1970 (OSHA, 29 U.S.C. Sections 65, *et seq.*); (xi) Nevada Revised Statutes ("NRS") Chapters 444, 445A, 445B, 445C, 459 and 590 and NRS Sections 40.504, 618.750 through 618.850, inclusive, and NRS 477.045, as any of the foregoing may now or hereafter be amended; (xii) any regulations promulgated pursuant to Items (i) through (xi) above; (xiii) any similar local, state or federal laws, rules, ordinances or regulations either in existence as of the date hereof, or enacted or promulgated after the date of this Agreement, that concern the management, control, storage, discharge, treatment, containment, removal, remediation and/or transport of substances or materials that are or may become a threat to public health or the environment; or (xiv) any common law theory involving materials or substances which are (or alleged to be) hazardous to human health or the environment, based on nuisance, trespass, negligence, strict liability or other tortious conduct.

(b) Representations and Warranties. Trustor hereby represents and warrants to Beneficiary that, except as described in the Certificate of Borrower and Guarantors, "to the Best Knowledge of Trustor" (as such phrase is defined below): (i) no Hazardous Substances are currently located at, in, on, under or about the Real Property in a manner which violates any Environmental Law or which requires cleanup, remedial or other corrective action of any kind under any Environmental Law; (ii) the Real Property is not in violation of or threatened by an investigation by any Governmental Authority under any Environmental Laws; (iii) no releasing, emitting, discharging, leaching, dumping or disposing of any Hazardous Substances from the Real Property onto or into any other property or from any other property onto or into the Real Property has occurred or is occurring in violation of any Environmental Law; (iv) no notice of violation, lien, complaint, suit, order or other notice with respect to the Real Property is presently outstanding under any Environmental Law; (v) the Real Property and the operation thereof are in full compliance with all Environmental Laws; (vi) no real property adjoining the Land is being used, or has ever been used at any previous time, for the disposal, storage, treatment, processing, or other handling of Hazardous Substances, nor is any other real property adjoining the Land affected by Hazardous Substances contamination; and (vii) Trustor has conducted an appropriate inquiry into previous uses and ownership of the Real Property and after such inquiry determined that no Hazardous Substances have been disposed of, transported, or released on or at the Real Property. Whenever the

phrase "to the Best Knowledge of Trustor" or similar phrase is used in this Deed of Trust, it shall mean the actual or constructive knowledge, after reasonable inquiry, of Trustor and its Affiliates, and their respective officers, directors, shareholders, members and managers, as applicable.

The foregoing representations and warranties shall be continuing and shall be true and correct for the period from the date of this instrument to the release of this Deed of Trust, whether by payment of the indebtedness secured hereby, or by foreclosure or by action in lieu of foreclosure, and these representations and warranties shall survive such release.

(c) Covenants. Trustor shall comply, and shall cause all lessees or other occupants of the Real Property and other third parties in possession of or using the Real Property under Trustor, to comply in all respects, with all Environmental Laws, and will not generate, release, store, handle, process, dispose of or otherwise use, and will not permit any lessee or other occupant of the Real Property or any other third party to generate, release, store, handle, process, dispose of or otherwise use, Hazardous Substances at, in, on, under or about the Real Property in violation of any Environmental Law. Without in any way constituting a limitation on the covenants and obligations of Trustor under this Deed of Trust, Trustor hereby covenants and agrees not to store any Hazardous Substances within any area of the Real Property which lies within a one hundred (100) year flood plain. Trustor shall notify Beneficiary promptly in the event of any reportable spill or other release of any Hazardous Substances at, in, on, under or about the Real Property, will promptly forward to Beneficiary copies of any notices received by Trustor relating to alleged violations of any Environmental Law and will promptly pay when due any fine or assessment against Trustor, Beneficiary or the Real Property relating to any Environmental Law. If at any time it is determined that the operation or use of the Real Property violates any applicable Environmental Law or that there are Hazardous Substances located at, in, on, under or about the Real Property which, under any Environmental Law, require special handling in collection, storage, treatment or disposal, or any other form of cleanup or corrective action, Trustor shall, within thirty (30) Calendar Days after receipt of notice thereof from any Governmental Authority or from Beneficiary, take, at its sole cost and expense, such actions as may be necessary to fully comply in all respects with all Environmental Laws; provided, however, that if such compliance cannot reasonably be completed within such thirty (30) Calendar Day period, Trustor shall commence such necessary action within such thirty (30) Calendar Day period and shall thereafter diligently and expeditiously proceed to fully comply in all respects and in a timely fashion with all Environmental Laws. If Trustor fails to timely take, or to diligently and expeditiously proceed to complete in a timely fashion, any such action, Beneficiary may, in its sole and absolute discretion, make advances or payments towards the performance or satisfaction of the same, but shall in no event be under any obligation to do so. All sums so advanced or paid by Beneficiary (including, without limitation, reasonable counsel and consultant fees and expenses, investigation and laboratory fees and expenses, and fines or other penalty payments) and all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, will immediately, upon demand, become due and payable from Trustor and shall bear interest at the Default Rate from the date any such sums are so advanced or paid by Beneficiary until the date any such sums are repaid by Trustor to Beneficiary. Trustor will execute and deliver, promptly upon request, such instruments as Beneficiary may deem useful or necessary to permit Beneficiary to take any such action, and such additional notes and mortgages, as Beneficiary may require to secure all sums so advanced or paid by Beneficiary.

(d) Liens. If a lien is filed against the Real Property by any Governmental Authority resulting from the need to expend or the actual expending of monies arising from an action or omission, whether intentional or unintentional, of Trustor or for which Trustor is responsible, resulting in the releasing, spilling, leaking, leaching, pumping, emitting, pouring, emptying or dumping of any Hazardous Substances into the waters or onto land or into the air located within or without the State where the Real Property is located, then Trustor will, within thirty (30) Calendar Days from the date that Trustor is first given notice that such lien has been placed against the Real Property (or within such shorter period of time as may be specified by Beneficiary if such Governmental Authority has commenced steps to cause the Real Property to be sold pursuant to such lien) either: (a) pay the claim and remove the lien; or (b) furnish a cash deposit, bond, or such other security with respect thereto as is satisfactory in all respects to Beneficiary and is sufficient to effect a complete discharge of such lien on the Real Property. If this Deed of Trust is foreclosed, or if the Real Property is sold pursuant to the provisions of this Deed of

Trust, or if Trustor tenders a deed or assignment in lieu of foreclosure or sale, Trustor shall deliver the Real Property to the purchaser at foreclosure or sale or to Beneficiary, its nominee, or wholly owned subsidiary, as the case may be, in a condition that complies in all respects with all Environmental Laws.

(e) Tests and Studies.

(1) Trustor hereby authorizes Beneficiary, any prospective bidder at any foreclosure sale and their respective officers, directors, employees, agents and independent contractors to enter upon all or any portion of the Real Property (including, without limitation, following the occurrence of a default hereunder) for the purpose of conducting such tests, inspections, inquiries, examinations, studies, analyses, samples, surveys, and other information gathering activities (collectively, the "Tests and Studies") with respect to the Real Property as any of them may from time to time deem necessary or appropriate, including, without limitation, Tests and Studies with respect to the presence of Hazardous Substances in or around the Real Property and the occurrence of any actual, proposed or threatened storage, existence, release, removal, remediation, handling or transportation of any Hazardous Substances in or around the Real Property. Except in case of an emergency, when Trustor or any lessee has abandoned the Real Property or following an Event of Default, or if it is impracticable to do so, Beneficiary shall give Trustor reasonable advance written notice of Beneficiary's intent to enter the Real Property and Beneficiary shall enter the Real Property only during normal business hours. Trustor hereby covenants and agrees to cooperate fully with such parties in their efforts to conduct the Tests and Studies, and further covenants and agrees to make available to such parties such portions of the Real Property as any of them may designate. If Beneficiary is unreasonably refused the right of entry and inspection by Trustor or any lessee of the Real Property, or is otherwise unable to enter and conduct Tests and Studies on the Real Property without a breach of peace, Beneficiary may obtain an order from a court of competent jurisdiction, the appointment of a receiver, or both, to enable Beneficiary to exercise its rights under this section. Beneficiary's rights and remedies set forth herein are in addition to any other rights and remedies that Beneficiary may have under the laws of the State of Nevada. The decision of Beneficiary as to whether there exists a release or threatened release of Hazardous Substances onto the Real Property shall be deemed reasonable and conclusive as between the parties hereto. The results of all Tests and Studies shall be and at all times remain the property of Beneficiary; provided, however, that Beneficiary shall provide copies thereof to Trustor upon written request. Under no circumstances shall Beneficiary have any obligation whatsoever to disclose or otherwise make available to any other party such results or any other information obtained by them in connection with such Tests and Studies.

(2) Notwithstanding the provisions of subsection (1) above, Beneficiary hereby reserves the right, and Trustor hereby expressly authorizes Beneficiary to make available to any Governmental Authority, any investor at any foreclosure sale of the Real Property, any institutional Beneficiary which is a prospective purchaser of the loan or a portion thereof and any auditor or examiner of Beneficiary's business, any and all information which Beneficiary may have with respect to the Real Property, whether provided by Trustor or any third party or obtained as a result of Tests and Studies, including, without limitation, environmental reports, surveys and engineering reports. Trustor consents to Beneficiary notifying any such party of the availability of any or all of the Tests and Studies and the information contained therein. Trustor acknowledges that Beneficiary cannot control or otherwise assure the truthfulness or accuracy of the Tests and Studies, and that the release of Tests and Studies, or any information contained therein, to prospective bidders at any foreclosure sale of the Real Property may have a material and adverse effect upon the amount which a party may bid at such sale. Trustor agrees that Beneficiary shall have no liability whatsoever as a result of delivering any or all of the Tests and Studies or any information contained therein to any third party, and Trustor hereby releases, remises and forever discharges Beneficiary from any and all claims, damages, or causes of action, arising out of, connected with or incidental to the Tests and Studies or the delivery thereof.

(3) Except as provided below, all costs and expenses incurred by Beneficiary pursuant to this section including, without limitation, costs of consultants and contractors, costs of repair of any physical injury to the Real Property normal and customary to the Tests and Studies, court costs and attorneys' fees, whether incurred in litigation or not and whether before or after judgment, shall be payable by Trustor and, to the extent advanced or incurred by Beneficiary, shall be reimbursed to

Beneficiary by Trustor upon demand. It is the parties' intention that Beneficiary be responsible only for the cost of repair of physical injury to the Real Property that was not reasonable or necessary to the conducting of the Tests and Studies in accordance with normal and customary procedures. Any and all costs and expenses incurred or advanced by Beneficiary pursuant to this section, together with interest thereon at the rate then applicable under the Note, shall be secured by this Deed of Trust and shall enjoy the same priority as the original principal amount of the Note. Notwithstanding the foregoing, Trustor shall not be responsible for the costs of Tests and Studies conducted more frequently than once each year unless such Tests and Studies were conducted due to a reasonable belief by Beneficiary that: (i) Trustor's representations and warranties in Section 5(b) above were materially untrue when made or as of the date of such Tests and Studies; (ii) Trustor shall have breached any material covenant contained in Section 5(c) above; or (iii) any other Event of Default shall have occurred and be continuing hereunder.

(f) Waiver of Lien. In accordance with NRS Section 40.512, Beneficiary may waive its lien against the Real Property or any portion thereof, to the extent such property is found to be environmentally impaired, and may exercise any and all rights and remedies of an unsecured creditor against Trustor and all of Trustor's assets and property for the recovery of any deficiency. No such waiver shall be final or binding on Beneficiary unless and until a final judgment (as defined in subsection 4 of the NRS Section 40.435), is obtained against Trustor. As between Beneficiary and Trustor, for purposes of NRS Section 40.512, Trustor shall have the burden of proving that the release or threatened release was not knowingly or negligently caused or contributed to, or knowingly or willfully permitted or acquiesced to by Trustor or any related party (or any affiliate or agent of Trustor or any related party) and that Trustor made written disclosure thereof to Beneficiary or that Beneficiary otherwise obtained actual knowledge thereof prior to the making of the Loan. Notwithstanding anything to the contrary contained in the Deed of Trust or any of the Loan Documents, Trustor shall be fully and personally liable for all judgments and awards entered against Trustor pursuant to NRS Section 40.512, and such liability shall not be limited by the original principal amount of the obligations secured by this Deed of Trust. Trustor's obligations hereunder shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance or any other transfer of the Real Property or this Deed of Trust. For the purposes of any action brought under this section, Trustor hereby waives the defense of laches and any applicable statute of limitations. For purposes of NRS Section 40.512, the acts, knowledge and notice of each "40.512 Party" shall be attributed to and be deemed to have been performed by the party or parties then obligated on or liable for payment of the Note. As used herein, "40.512 Party" shall mean Trustor, any successor owner to Trustor of all or any portion of the Real Property, any related party of Trustor or any such successor and any affiliate or agent of Trustor, any such successor or any such related party.

(g) Indemnification. Trustor will defend, indemnify, and hold harmless Beneficiary, and its officers, directors, shareholders, agents, and employees, any parent, subsidiary or affiliated company of Beneficiary, owners of participation interests in the Loan or the Loan Documents, any purchasers who acquire all or part of the Real Property at any foreclosure sale, any recipient of a deed or assignment in lieu of foreclosure of all or part of the Real Property and the officers, directors, shareholders, partners, members, managers, employees and agents of each of them, and the successors and assigns of each and all of the foregoing, from and against any and all claims, demands, penalties, causes of action, fines, liabilities, losses, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, foreseen or unforeseen, contingent or otherwise including, without limitation, counsel and consultant fees and expenses, investigation and laboratory fees and expenses, court costs, and litigation expenses (collectively, "Claims") directly or indirectly arising from or out of, or in any way related or attributable to: (i) any breach by Trustor of any of the provisions of this section; (ii) the presence, disposal, spillage, discharge, emission, leakage, generation, release, or threatened release of any Hazardous Substances which is at, in, on, under, about, from or affecting the Real Property including, without limitation, any damage or injury resulting from any such Hazardous Substances to or affecting the Real Property or the soil, water, air, vegetation, buildings, personal property, persons or animals located on the Land or on any other property or otherwise, either prior to or after the date of this Deed of Trust and either prior to, during or after the time that Trustor became owner of the Real Property; (iii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to any such Hazardous Substances, either prior to or after the date of this Deed of Trust and either prior to, during or after the time that Trustor became owner of the Real Property; (iv) any lawsuit brought or threatened,



settlement reached, or order, consent decree or directive of or by any Governmental Authority relating to such Hazardous Substances, either prior to or after the date of this Deed of Trust and either prior to, during or after the time that Trustor became owner of the Real Property; or (v) any violation of any Environmental Law, whether such violation occurred prior to or after the date of this Agreement and regardless of whether such violation occurred prior to, during or after Trustor became owner of the Real Property. The aforesaid indemnification shall, notwithstanding any exculpatory or other provision of any nature whatsoever to the contrary set forth in the Note, this Deed of Trust or any other document or instrument now or hereafter executed and delivered in connection with the Loan, constitute the personal recourse undertakings, obligations and liabilities of Trustor. Notwithstanding the foregoing, Trustor shall not be obligated for any Claims resulting from the introduction or placement of any Hazardous Substances on or about the Real Property after the date upon which Beneficiary foreclosed on the Real Property, provided such Hazardous Substances were not located on or about the Real Property prior to the date Beneficiary foreclosed on the Real Property. The aforesaid indemnification shall not be applicable to any claim, demand, penalty, cause of action, fine, liability, settlement, damage, cost or other expense of any type whatsoever occasioned, arising and caused solely and directly as the result of the gross negligence or willful misconduct of Beneficiary, its nominee or wholly owned subsidiary or their respective employees or agents and irrespective of whether occurring prior or subsequent to the date upon which Beneficiary, its nominee or wholly owned subsidiary acquires possession of the Real Property by foreclosure of this Deed of Trust, a sale of the Real Property pursuant to the provisions of this Deed of Trust, acceptance of a deed or assignment in lieu of foreclosure or sale or otherwise. Except as hereinabove specifically provided to the contrary in this section, the obligations and liabilities of Trustor under this section shall survive and continue in full force and effect and shall not be terminated, discharged or released, in whole or in part, irrespective of whether the Secured Obligations have been paid in full and irrespective of any foreclosure of this Deed of Trust, sale of the Real Property pursuant to the provisions of this Deed of Trust or acceptance by Beneficiary, its nominee or wholly owned subsidiary of a deed or assignment in lieu of foreclosure or sale and irrespective of any other fact or circumstance of any nature whatsoever.

6. Taxes and Assessments. Subject to the provisions of Section 54 below, Trustor shall pay prior to delinquency all taxes, assessments, levies, utilities and charges of any kind or nature whatsoever imposed by any governmental or quasi-public authority or utility company which are (or, if not paid, may become) a lien upon or cause a loss in value of any interest in any of the Property. Trustor shall also pay prior to delinquency all taxes, assessments, levies and charges imposed by any Governmental Authority upon Beneficiary by reason of its interest in any Secured Obligation or in any of the Property or by reason of any payment made to Beneficiary hereunder or pursuant to any Secured Obligation; but Trustor shall have no obligation to pay or discharge taxes which may be imposed from time to time upon this Deed of Trust and which are measured by and imposed upon Beneficiary's income. Trustor shall promptly furnish Beneficiary official receipts from the appropriate authority or other proof satisfactory to Beneficiary evidencing the payment thereof.

7. Insurance.

(a) Types of Insurance. On or before the earliest of: (i) the date Trustor commences any construction on the Real Property; (ii) the date Trustor acquires fee title to the Real Property; or (iii) January 1, 2009, Trustor, at its sole cost and expense, shall obtain and keep in full force and effect the policies of insurance set forth on Exhibit "B," attached hereto and incorporated herein by reference.

(b) Failure to Provide: Cancellation or Reduction. Should any insurance required by Beneficiary be cancelled, reduced or non-renewed, or if Trustor fails to provide such required insurance, Beneficiary may, at its sole discretion, procure insurance and the cost thereof shall be additional indebtedness of Trustor under this Deed of Trust. Trustor shall immediately reimburse Beneficiary for any premiums or other costs associated with obtaining insurance which Beneficiary may pay, together with interest thereon at a rate equal to the Default Rate under the Note.

(c) Form of Policies. All insurance required hereby shall be provided by policies written in terms, amounts, deductibles and by companies and otherwise in form and content satisfactory to



Beneficiary. Beneficiary shall be named as an additional insured on all liability policies; and losses under all other policies shall be payable to Beneficiary pursuant to a 438BFU Lender's Loss Payable Endorsement satisfactory to Beneficiary. All such policies shall have a deductible of no more than Fifty Thousand Dollars (\$50,000.00), and contain a waiver of subrogation clause for the benefit of Beneficiary. Trustor shall deliver to Beneficiary annually during the term of this Deed of Trust certificates for all policies of insurance required hereunder evidencing compliance with the provisions of this Deed of Trust. All such policies shall contain the following provisions: (i) that Beneficiary's coverage as provided for hereunder shall remain in effect regardless of any violations of such policies' terms and provisions by Trustor or any other party; and (ii) that such policies may not be cancelled or amended (including any reduction of the scope or limits of coverage) without at least thirty (30) Calendar Days prior written notice to Beneficiary accompanied, in the case of amendments, by a new certificate evidencing the insurance as amended. Upon Beneficiary's request, Trustor shall cause all bills, statements or other documents relating to the foregoing insurance to be sent or mailed directly to Beneficiary.

(d) Documentation. On a calendar quarter basis, and at least thirty (30) Calendar Days prior to the expiration of each such policy, Trustor shall furnish Beneficiary with evidence satisfactory to Beneficiary of the payment of premiums and the re-issuance of a policy or policies continuing such insurance in force as required by this Deed of Trust.

(e) Transfer of Title. In the event of a foreclosure sale hereunder, the purchaser of the Property shall succeed to all rights of Trustor, including any rights to the proceeds of insurance and to unearned premiums, in and to all policies of insurance assigned to Beneficiary pursuant hereto.

8. Insurance and Condemnation Proceeds.

(a) Assignment to Beneficiary. All awards of damages and all other compensation payable directly or indirectly by reason of a condemnation for public or private use affecting any interest in any of the Property and all proceeds of any insurance policies payable by reason of loss of or damage to any part of the Property shall be governed by the terms hereof and paid to Beneficiary, except as otherwise required pursuant to the Ground Lease. Beneficiary shall be entitled to settle and adjust all claims under insurance policies provided hereunder and to collect and receive the proceeds from any such policies; and Beneficiary may deduct and retain from the proceeds of any insurance the amount of all expenses incurred by Beneficiary (including, without limitation, reasonable attorneys' fees and costs) in connection with any settlement or adjustment. In the event any insurance company fails to disburse directly and solely to Beneficiary but disburses instead either solely to Trustor or to Trustor and Beneficiary jointly, Trustor agrees immediately to endorse and transfer such proceeds to Beneficiary. Upon the failure of Trustor to endorse and transfer such proceeds as aforesaid, Beneficiary may execute such endorsements or transfers for and in the name of Trustor and Trustor hereby unconditionally and irrevocably appoints Beneficiary as Trustor's agent and attorney-in-fact, which appointment is coupled with an interest and irrevocable, to endorse and transfer such proceeds to Beneficiary. Trustor hereby unconditionally and irrevocably waives all rights, if any, of a property owner under the provisions of the laws of the State of Nevada, as the same may be amended from time to time, or now or hereafter granted under any successor statute, providing for the allocation of condemnation proceeds between a property owner and a lien holder.

(b) Definitions. For purposes of this section, the following terms and phrases shall have the meanings indicated:

(i) "Restoration" means the restoration, repair, replacement or rebuilding of the Improvements to a value, condition and character equal to or greater than that immediately prior to the damage, destruction or "Taking" (as defined below), all in accordance with then applicable law, including building codes and zoning ordinances.

(ii) "Taking" means the taking of all or any part of the Real Property, or any interest therein or right accruing thereto, as the result of the exercise of the right of condemnation or eminent domain, or change of grade affecting the Improvements or any part thereof. A conveyance in lieu

of or in anticipation of the exercise of any such right of condemnation or eminent domain shall be considered a Taking.

(c) Material Loss. In the event of any damage to the Property or any part thereof, Trustor shall promptly give written notice of such damage to Beneficiary, describing the nature and extent of such damage and setting forth the best estimate of the cost of Restoration (and such temporary repairs and property protection). Subject to the Beneficiary making the Net Casualty Insurance Proceeds (as defined below) available to Trustor in accordance with the provisions of Section 8(d) hereof, Trustor, at Trustor's expense, shall promptly commence and complete the Restoration within one hundred eighty (180) Calendar Days after the date of damage or destruction; provided, however, if Trustor diligently pursues completion of the Restoration during said one hundred eighty (180) Calendar Day period but is unable to complete the Restoration during such time period, Trustor shall have an additional reasonable period of time in which to complete the Restoration, but in no event beyond three hundred sixty (360) Calendar Days from the date of damage or destruction. All insurance proceeds on account of any damage to the Property shall be payable to, and deposited with, Beneficiary (except for the portion of the proceeds, if any, allocable to and to be paid to Landlord, pursuant to and in accordance with the Ground Lease). Subject to Trustor's right to receive insurance proceeds to pay for the Restoration pursuant to Section 8(d) below, Beneficiary, at its sole option: (i) may apply such insurance proceeds upon the Note, or any other Secured Obligation, in such order as Beneficiary may determine; (ii) may use such insurance proceeds, without reducing the principal balance of the Note or any other Secured Obligation, to accomplish the Restoration; (iii) may release such insurance proceeds, without reducing the principal balance of the Note or any other Secured Obligation, to Trustor; or (iv) any such amount may be divided in any manner among any such application, use or release. No such application, use or release shall, however, extend or postpone the due date of installments under the Note or change the amount of such installments or cure or waive any Event of Default or notice of Event of Default under the Loan Documents or invalidate any act done pursuant to such notice. Any unapplied, undisbursed insurance proceeds remaining with Beneficiary shall inure to the benefit of and pass to the owner or purchaser of the Property or any part of it at any foreclosure or trustee's sale under any of the Loan Documents (or, in the case of the Personal Property alone, at any public or private sale under any of the Loan Documents).

(d) Restoration. In the event that Trustor requests that the insurance proceeds be used to accomplish the Restoration, subject to Beneficiary's approval pursuant to Section 8(c) hereof, then any "Net Casualty Insurance Proceeds" (i.e., the casualty insurance proceeds remaining after reimbursement of Beneficiary for any reasonable costs and expenses of Beneficiary, including reasonable attorneys' fees and costs, for collection thereof) received by Beneficiary shall be applied to the cost of Restoration and disbursed in accordance with the conditions set forth in subsection (e) below or in any other manner approved by Beneficiary if, but only if, each of the following conditions is satisfied: (i) no Event of Default exists hereunder; (ii) the Net Casualty Insurance Proceeds, together with such additional funds as Trustor shall have deposited with Beneficiary (and which Trustor shall be required to deposit with Beneficiary within one hundred twenty (120) Calendar Days after the occurrence of such casualty), are sufficient, in the reasonable judgment of Beneficiary, to pay all costs of: (1) the Restoration; and (2) interest under the Note and all other operating expenses of the Real Property during the Restoration period, after the application of any business interruption or rent loss insurance available to Trustor and Beneficiary; (iii) the anticipated date for completion of Restoration shall, in the reasonable judgment of Beneficiary, be within the time parameters set forth in Section 8(c) hereof; and (iv) each of the insurance companies from which the Net Casualty Insurance Proceeds are received shall have waived in writing all right of subrogation for the benefit of Trustor and Beneficiary.

(e) Disbursement. In the event insurance proceeds shall be eligible for disbursement, the same shall be disbursed by Beneficiary upon the following terms and conditions:

(i) Supervision of Work. The work shall be in the charge of an architect or engineer approved by Beneficiary ("Architect") before Trustor commences any work, other than temporary work to protect property or prevent interference with business, and Beneficiary shall have approved the construction contract and plans and specifications for such work, which plans and specifications shall provide, to the extent feasible, that, upon completion of such, the Real Property shall be at least equal in

value and general utility as existed prior to the damage or destruction; and complete copies of the plans and specifications for the work, approved by all Governmental Authorities whose approval is required, and bearing the signed approval thereof by the Architect and accompanied by the Architect's signed estimate, bearing the Architect's seal, of the entire cost of completing the work, shall be delivered to Beneficiary;

(ii) Payment Requests. Each request for payment shall be made upon seven (7) Calendar Days prior notice to Beneficiary and shall be accompanied by a certificate to be made by such architect or engineer stating that: (A) all of the work completed has been done in compliance with the approved plans and specifications; (B) the sum requested is justly required to reimburse Trustor for payments by Trustor to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services or materials for the work (giving a brief description of such services and materials) and, when added to all sums previously paid out by Beneficiary, does not exceed the value of the work done to the date of such certificate; and (C) the amount of such proceeds remaining with Beneficiary shall be sufficient on completion of the work to pay for the same in full (giving in such detail, as Beneficiary may require, an estimate of the cost of such completion);

(iii) Lien Releases. Each request shall be accompanied by waivers of lien in accordance with Nevada law and satisfactory to Beneficiary covering that part of the work for which payment or reimbursement is being requested and, if required by Beneficiary, by a search prepared by a title company satisfactory to Beneficiary, that there has not been filed with respect to the Real Property any mechanics', materialmen's or other lien or instrument for the retention of title in respect of any part of the work not discharged of record;

(iv) Certificates of Occupancy. The request for any payment after the work has been completed shall be accompanied by a copy of any certificate or certificates required by law to render occupancy of the Improvements and use of the Real Property legal;

(v) Permits and Approvals. Trustor shall deliver to Beneficiary certified or photostatic copies of all permits and approvals required by law in connection with the commencement and conduct of the work; and

(vi) Bonded. If the total cost of the work exceeds One Hundred Thousand Dollars (\$100,000.00), Trustor shall deliver to Beneficiary a surety bond for and/or guaranty of the payment for and completion of the work, which bond or guaranty shall be in form satisfactory to Beneficiary and shall be signed by a surety or sureties, or guarantor or guarantors, as the case may be, who are acceptable to Beneficiary, and in an amount not less than the Architect's estimate of the entire cost of completing the work, less the amount of insurance proceeds, if any, then held by Beneficiary for application toward the cost of the work.

(f) Condemnation. In the event of a partial Taking such that the Real Property is subject to Restoration, all proceeds and awards shall be paid to Beneficiary (except for the portion of proceeds allocable to or to be paid to Landlord pursuant to and in accordance with Section 8.02 of the Ground Lease), to accomplish the Restoration in the event that Trustor requests and satisfies the conditions for the same; and such amount shall be disbursed as set forth in the immediately preceding subsections (as the same applies to the application of the Net Casualty Insurance Proceeds, with each reference therein to insurance proceeds deemed to include a reference to condemnation proceeds and awards). In the event of a total Taking or in the event of a partial Taking where Trustor does not elect or qualify to apply such award or proceeds to the Restoration, such amount shall be applied as follows, in the order of priority indicated:

(i) To reimburse Beneficiary for all reasonable costs and expenses, including reasonable attorneys' fees, incurred in connection with collecting such proceeds;

(ii) To the payment of the accrued and unpaid interest on the Note;

- (iii) To the payment of the unpaid principal of the Note;
- (iv) To the payment of the balance of any other Secured Obligations; and
- (v) The balance, if any, shall be paid to Trustor.

9. Liens, Encumbrances and Charges. Subject to Section 54 below, Trustor shall immediately discharge any lien, claim or encumbrance which is not set forth in the Beneficiary's Title Policy or approved by Beneficiary in writing that has or may attain priority over this Deed of Trust. Trustor shall pay at or prior to maturity all obligations secured by or reducible to liens or encumbrances which shall now or hereafter encumber or appear to encumber all or any interest in any of the Property, whether senior or subordinate hereto. Upon the occurrence of any Event of Default hereunder, Beneficiary shall have the right, but shall not be obligated, to pay, without notice to Trustor, such payments and charges, and Trustor shall, on demand, reimburse Beneficiary for amounts so paid. In addition, upon default of Trustor in the performance of any other terms, covenants, conditions or obligations by it to be performed under any such prior or subordinate lien, encumbrance, lease or security interest, Beneficiary shall have the right, but shall not be obligated, to cure such default in the name and on behalf of Trustor. All sums advanced and expenses incurred at any time by Beneficiary pursuant to this section or as otherwise provided under the terms and provisions of this Deed of Trust or under applicable law shall bear interest from the date that such sum is advanced or expense incurred, to and including the date of reimbursement, computed at an interest rate equal to the Default Rate under the Note.

10. Assignment of Causes of Action, Awards and Damages. All causes of action, and all sums due or payable to Trustor for injury or damage to the Property, or as damages incurred in connection with the transactions in which the Loan secured by this Deed of Trust was made, including, without limitation, causes of action and damages for breach of contract, fraud, concealment, construction defects or other torts, or compensation for any conveyance in lieu of condemnation (except for the portion of condemnation proceeds allocable to and to be paid to Landlord pursuant to and in accordance with Section 8.02 of the Ground Lease), are assigned to Beneficiary, and all proceeds from such causes of action and all such sums shall be paid to Beneficiary for credit against the Indebtedness secured by this Deed of Trust. Any such amounts Beneficiary applies towards the repayment of the Loan pursuant to this Section 10, shall be applied without any Prepayment Fee. If Trustor is entitled to recover any sums from any contractor, subcontractor, architect or engineer for defective work on or at the Property, such sums shall be made available to Trustor to pay for the cost of correcting such defects, so long as there is no uncured Event of Default under the Loan. Trustor shall notify Beneficiary immediately on receipt by Trustor of notice that any such sums have become due or payable and, immediately on receipt of any such sums, shall promptly remit such sums to Beneficiary. After deducting all reasonable expenses, including reasonable attorneys fees, incurred by Beneficiary in recovering or collecting any sums under this Section 10, Beneficiary may apply or release the balance of any funds received by it under this Section 10, or any part of such balance, as it elects. Beneficiary, at its option, may appear in and prosecute in its own name any action or proceeding to enforce any cause of action assigned to it under this Section 10 and may take any compromise or settlement in such action whatsoever. Trustor covenants that it shall execute and deliver to Beneficiary such further assignments of any such compensation awards, damages or causes of action as Beneficiary may request from time to time. If Beneficiary fails or does not elect to prosecute any such action or proceeding and Trustor elects to do so, Trustor may conduct the action or proceeding at its own expense and risk.

11. Defense of Deed of Trust; Litigation. Trustor will, at its sole cost and expense, appear in and defend any and all actions and proceedings which purport to affect title to the Property or any part thereof or affect the security interest and priority of Beneficiary therein. Trustor shall give Beneficiary prompt written notice of the assertion of any claim, the filing of any action or proceeding, the occurrence of any damage to the Property or any condemnation offer or action or any other action or proceeding affecting or purporting to affect the Property, this Deed of Trust, Beneficiary's security for the performance of the Secured Obligations, or the rights or powers of Beneficiary or Trustee under the Loan Documents. Despite any other provision of this Deed of Trust, Trustor agrees that if Beneficiary reasonably believes that Trustor is not taking adequate steps to protect the Property, Beneficiary or Trustee may (but is not



obligated to) commence, appear in, prosecute, defend, compromise and settle, in Beneficiary's or Trustor's name, and as attorney-in-fact for Trustor, and incur necessary costs and expenses, including attorneys' fees in so doing, any action or proceeding affecting or purporting to affect, the Property, this Deed of Trust, Beneficiary's security for performance of the Secured Obligations or the rights or powers of Beneficiary or Trustee under the Loan Documents, and that if Beneficiary elects not to do so, Trustor shall commence, appear in, prosecute and defend any such action or proceeding. Trustor shall pay all costs and expenses of Beneficiary, including costs of evidence of title and attorneys fees, in any such action or proceeding in which Beneficiary or Trustee may appear or for which legal counsel is sought, whether by virtue of being made a party defendant or otherwise, and whether or not the interest of Beneficiary in the Property is directly questioned in such action or proceeding, including, without limitation, any action for the condemnation or partition of all or any portion of the Property and any action brought by Beneficiary to foreclose this Deed of Trust or to enforce any of its terms or provisions. All sums advanced and expenses incurred at any time by Beneficiary pursuant to this section or as otherwise provided under the terms and provisions of this Deed of Trust or under applicable law shall bear interest from the date that such sum is advanced or expense incurred, to and including the date of reimbursement, computed at an interest rate equal to the Default Rate.

12. Impounds. INTENTIONALLY DELETED.

13. Ground Lease Leasehold Provisions. Trustor covenants, warrants and agrees as follows with respect to the Leasehold Estate and the Ground Lease creating such Leasehold Estate:

(a) The Ground Lease is in full force and effect and unmodified; all rents and other charges reserved in the Ground Lease have been paid to the extent payable to the date hereof; Trustor warrants the quiet and peaceful possession of the Real Property for the benefit of Beneficiary for as long as this Deed of Trust is in effect and further warrants and agrees to defend title to the Leasehold Estate created under the Ground Lease for the remainder of the term set forth therein against each and every person claiming the same or any part thereof.

(b) Trustor shall not amend, modify, assign, cancel, terminate or surrender the Ground Lease without the prior written consent of Beneficiary.

(c) Trustor shall promptly pay after the same shall become due, but before delinquency, and secure proper receipts for all rents, taxes, assessment, charges and such other sums or amounts that are to be paid by Trustor under the provisions of the Ground Lease.

(d) Trustor shall continuously and faithfully keep and perform each and all of the covenants, terms, obligations and provisions on the part of Trustor to be kept and performed under the Ground Lease and will do all other things necessary to preserve and keep unimpaired the rights of Trustor under the Ground Lease.

(e) Trustor shall not waive, forgive or release the lessor under the Ground Lease from any covenants or obligations to be performed by lessor thereunder.

(f) Intentionally deleted.

(g) Trustor shall promptly notify Beneficiary in writing after Trustor acquires knowledge of (i) any default on the part of the lessor under the Ground Lease, or in the performance or observance of any of the terms, covenants and conditions on the part of lessor to be kept and performed under the Ground Lease, and (ii) of the occurrence of any event which, with or without the lapse of time or the giving of notice, would constitute a default on the part of the lessor under the Ground Lease.

(h) Trustor shall promptly notify Beneficiary in writing of the giving or service upon Trustor by the lessor under the Ground Lease of any notice of default on the part of Trustor thereunder in the performance or observance of any of the terms, covenants and conditions on the part of Trustor to be



kept, performed or observed by Trustor under the Ground Lease, and Trustor shall cause a copy of any notice furnished or delivered to Trustor by the lessor under the Ground Lease to be delivered forthwith to Beneficiary.

(i) Trustor shall not surrender the Ground Lease or the Leasehold Estate created thereby or the interest of Trustor in or under the Ground Lease, nor shall the Ground Lease be terminated or cancelled by Trustor, nor shall Trustor, without the prior written consent of Beneficiary being first had and obtained, consent to any of the foregoing, and Trustor hereby transfers and relinquishes unto Beneficiary all rights, privileges and prerogatives of Trustor to surrender, terminate or cancel the Ground Lease, and any such surrender, termination or cancellation of the Ground Lease made, suffered to be made, or consented to by Trustor without the prior written consent thereto on the part of Beneficiary being first had and obtained, which consent may be granted or withheld in the sole and absolute discretion of Beneficiary, shall be void and of no force or effect. Notwithstanding the foregoing, prior to the occurrence of an Event of Default, Beneficiary shall not unilaterally terminate or cancel the Ground Lease without the prior written consent of Trustor, which consent may be granted or withheld in the sole and absolute discretion of Trustor.

(j) Trustor shall not, without the prior written consent of Beneficiary being first had and obtained, modify, change, supplement, amend or alter the Ground Lease or consent to any of the foregoing, and Trustor hereby transfers and relinquishes unto Beneficiary all rights, privileges and prerogatives of Trustor to modify, change, supplement, amend or alter the Ground Lease, and any such modification, change, supplement, amendment or alteration of the Ground Lease made, suffered to be made, or consented to by Trustor without the prior written consent thereto on the part of Beneficiary being first had and obtained, which consent shall not be unreasonably withheld or delayed by Beneficiary, shall be void and of no force or effect. Notwithstanding the foregoing, prior to the occurrence of an Event of Default, Beneficiary shall not unilaterally modify, change, supplement, amend or alter the Ground Lease without the prior written consent of Trustor, which consent may be granted or withheld in the sole and absolute discretion of Trustor.

(k) Trustor shall exercise any option to renew or extend the Ground Lease if, at the time such option becomes exercisable, the Secured Obligations have not been fully paid and discharged and shall give written confirmation thereof to Beneficiary within ten (10) days after the date on which such option first becomes exercisable, and Trustor hereby irrevocably appoints Beneficiary as its attorney-in-fact, with power of substitution, to exercise such option on behalf of Trustor if Trustor is required under the foregoing provisions to exercise said option within a reasonable time prior to the expiration of Trustor's time to exercise the option.

(l) Within ten (10) Calendar Days after request by Beneficiary, at no cost to Beneficiary, Trustor shall obtain from the lessor under the Ground Lease and deliver to Beneficiary the lessor's estoppel certificate required thereunder, if any, in form and content as required under the Ground Lease, or if none, in substantially the same form as the lessor's estoppel certificate delivered to Beneficiary at the Closing of the Loan.

(m) Trustor shall not assert a merger of the Ground Lease, or of the Leasehold Estate created thereby, with the fee estate in the property subject to the Ground Lease by reason of said Leasehold Estate or fee estate, or any part of either, coming into common ownership, unless Beneficiary shall consent in writing to such merger; and if Trustor shall acquire such fee estate, then the lien of this Deed of Trust shall simultaneously and without further action be and become extended so as to become a lien on such fee estate in addition to remaining a lien on said Leasehold Estate and Trustor will at its own cost and expense forthwith execute, acknowledge and deliver to Beneficiary at Beneficiary's request such further instruments and documents as may be requested by Beneficiary for the purpose of further evidencing and confirming such lien on such fee estate.

(n) Trustor acknowledges and agrees that if at any time Trustor fails to comply fully or in a timely manner with any of Trustor's obligations under the Ground Lease and such failure threatens the value or existence of Beneficiary's security hereunder or Beneficiary is given the right to cure Trustor's

defaults under the terms of the Ground Lease, Beneficiary or Trustee may, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereunder or removing or waiving any corresponding default hereunder, perform on behalf of Trustor any such obligations, and any and all expenses (including without limitation reasonable attorneys' fees) incurred by Beneficiary or Trustee in connection therewith shall be repayable by Trustor, with interest thereon at the Default Rate (as defined in the Note), without demand and shall be secured hereby; provided that the foregoing shall not be construed to require Beneficiary or Trustee to incur any expense or assume or perform any of Trustor's obligations under the Ground Lease.

14. Additional Ground Lease Provisions

(a) The Trustor acknowledges that, pursuant to Section 365 of the Bankruptcy Code, it is possible that a trustee in bankruptcy of the lessor under the Ground Lease or the lessor under the Ground Lease as a debtor-in-possession could reject the Ground Lease, in which case the Trustor as lessee under the Ground Lease would have the election described in Section 365(h) of the Bankruptcy Code (which election, as it may be amended, revised or recodified from time to time, and together with any comparable right under any other state or federal law relating to bankruptcy, reorganization or other relief for debtors, whether now or hereafter in effect, is called the "Election") to treat the Ground Lease as terminated by such rejection or, in the alternative, to remain in possession for the balance of the term of the Ground Lease and any renewal or extension thereof that is enforceable by the lessee under the Ground Lease under applicable non-bankruptcy law.

(i) The Trustor agrees not to terminate or permit termination of the Ground Lease by exercise of the Election without the prior written consent of the Beneficiary. The Trustor acknowledges that because the Ground Lease is a significant part of the Beneficiary's security for the obligations secured under this Deed of Trust, Beneficiary does not anticipate that it would consent to termination of the Ground Lease and shall not under any circumstances be obliged to give such consent.

(ii) In order to secure the covenant made in subparagraph (i) above and as security for the other obligations secured by this Deed of Trust, the Trustor assigns the Election to the Beneficiary. The Trustor acknowledges and agrees that this assignment of the Election is one of the rights which the Beneficiary may use at any time in order to protect and preserve the other rights and interests of the Beneficiary under this Deed of Trust, because exercise of the election in favor of terminating the Ground Lease would constitute waste hereunder.

(iii) The Trustor acknowledges and agrees that the Election is in the nature of a remedy and is not a property interest which can exist separate from the Ground Lease. Therefore, the Trustor agrees that exercise of the Election in favor of preserving the right to possession under the Ground Lease shall not be deemed to constitute an action on the Note nor a taking or sale of the Property by the Beneficiary and shall not entitle the Trustor to any credit against the obligations secured by this Deed of Trust.

(iv) The Trustor acknowledges and agrees that if the Election is exercised in favor of the Trustor remaining in possession, the Trustor's resulting right under the Ground Lease to possession and use of (and rents and profits from) the property demised thereby, as adjusted by the effect of Section 365 of the Bankruptcy Code, shall be part of the Property and shall be subject to the lien created by this Deed of Trust.

(v) Trustor hereby unconditionally assigns, transfers and sets over to Beneficiary all of Trustor's claims and rights to the payment of damages arising from any rejection by lessor of the Ground Lease under the Bankruptcy Code. Beneficiary shall have the right to proceed in its own name or in the name of Trustor in respect of any claim, suit, action or proceeding relating to the rejection of the Ground Lease, including, without limitation, the right to file and prosecute, to the exclusion of Trustor, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of lessor under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect

until all of the indebtedness and obligations secured by this Deed of Trust shall have been satisfied and discharged in full. Any amounts received by Beneficiary as damages arising out of the rejection of the Ground Lease as aforesaid shall be applied first to all costs and expenses of Beneficiary (including, without limitation, reasonable attorneys' fees) incurred in connection with the exercise of any of its rights or remedies under this paragraph and then in accordance with Section 27(g) of this Deed of Trust.

(vi) If, pursuant to Section 365(h)(2) of the Bankruptcy Code, Trustor seeks to offset against the rent reserved in the Ground Lease the amount of any damages caused by the non-performance by the lessor of any of lessor's obligations under the Ground Lease after the rejection by lessor of the Ground Lease under the Bankruptcy Code, Trustor shall, prior to effecting such offset, notify the Beneficiary of its intent so to do, setting forth the amounts proposed to be so offset and the basis therefor. Beneficiary shall have the right to object to all or any part of such offset, and, in the event of such objection, Trustor shall not effect any offset of the amounts so objected to by Beneficiary. If Beneficiary has failed to object as aforesaid within ten (10) Business Days after notice from Trustor in accordance with the first sentence of this paragraph, Trustor may proceed to effect such offset in the amounts set forth in Trustor's notice. Neither Beneficiary's failure to object as aforesaid nor any objection or other communication between Beneficiary and Trustor relating to such offset shall constitute an approval of any such offset by Beneficiary. Trustor shall indemnify and save Beneficiary harmless from and against any and all claims, demands, actions, suits, proceedings, damages, losses, costs and expenses of every nature whatsoever (including, without limitation, reasonable attorneys' fees) arising from or relating to any offset by Trustor against the rent reserved in the Ground Lease.

(vii) If any action, proceeding, motion or notice shall be commenced or filed in respect of the lessee or the Ground Lease premises in connection with any case under the Bankruptcy Code, Beneficiary shall have the option, in its sole and absolute discretion and to the exclusion of Trustor, exercisable upon notice from Beneficiary to Trustor, to conduct and control any such litigation with counsel of Beneficiary's choice. Beneficiary may proceed in its own name or in the name of Trustor in connection with any such litigation, and Trustor agrees to execute any and all powers, authorizations, consents and other documents required by the Beneficiary in connection therewith. Trustor shall, upon demand, pay to Beneficiary all costs and expenses (including reasonable attorneys' fees) paid or incurred by Beneficiary in connection with the prosecution or conduct of any such proceedings. Any such costs or expenses not paid by Trustor as aforesaid shall be secured by the lien of this Deed of Trust and shall be added to the principal amount of the indebtedness secured hereby. Trustor shall not commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Ground Lease in any such case under the Bankruptcy Code without the prior written consent of Beneficiary.

(viii) Trustor shall promptly after obtaining knowledge thereof notify Beneficiary orally of any filing by or against the lessor under the Ground Lease of a petition under the Bankruptcy Code. Trustor shall thereafter forthwith give written notice of such filing to Beneficiary as provided herein at Section 40, setting forth any information available to Trustor as to the date of such filing, the court in which such petition was filed, and the relief sought therein. Trustor shall promptly deliver to Beneficiary following receipt any and all notices, summonses, pleadings, applications and other documents received by Trustor in connection with any such petition and any proceedings relating thereto.

(b) If there shall be filed by or against the Trustor a petition under the Bankruptcy Code and the Trustor, as lessee under the Ground Lease, shall determine to reject the Ground Lease pursuant to Section 365(a) of the Bankruptcy Code, the Trustor shall give the Beneficiary not less than ten (10) days' prior notice of the date on which the Trustor shall apply to the bankruptcy court for authority to reject the Ground Lease. The Beneficiary shall have the right, but not the obligation, to serve upon the Trustor within such ten (10) day period a notice stating that (i) the Beneficiary demands that the Trustor assume and assign the Ground Lease to the Beneficiary pursuant to Section 365 of the Bankruptcy Code and (ii) the Beneficiary covenants to cure or provide adequate assurance of prompt cure of all defaults and provide adequate assurance of future performance under the Ground Lease. If the Beneficiary serves upon the Trustor the notice described in the preceding sentence, the Trustor shall not seek to reject the Ground Lease and shall comply with the demand provided for in clause (i) of the preceding sentence

within thirty (30) days after the notice shall have been given, subject to the performance by the Beneficiary of the covenant provided for in clause (ii) of the preceding sentence.

(c) Effective upon the entry of an order for relief in respect of the Trustor under the Bankruptcy Code, the Trustor hereby assigns and transfers to the Beneficiary a non-exclusive right to apply to the Bankruptcy Court under Section 365(d)(4) of the Bankruptcy Code for an order extending the period during which the Ground Lease may be rejected or assumed.

(d) Trustor and Beneficiary acknowledge and agree that, pursuant to the terms and provisions of the Ground Lease, upon the occurrence of an Event of Default, Landlord shall have the right, but not the obligation, to cure (or cause to be cured) such Event of Default. Pursuant to Section 40 below, Beneficiary shall deliver to Landlord a copy of any written notice to Trustor of an Event of Default hereunder or under any of the Loan Documents. Landlord shall have an additional twenty (20) Calendar Days from the date of such written notice to cure (or cause to be cured) such Event of Default.

15. Inspection of Property. Trustor hereby covenants and agrees that, in addition to any rights Beneficiary may have under the laws of the State of Nevada, Beneficiary may make or authorize other persons, including, but not limited to, appraisers and prospective purchasers at any foreclosure sale commenced by Beneficiary, and/or the USGA Turf Advisory Service (or by another entity satisfactory to Beneficiary), to enter on or inspect the Real Property at reasonable times and for a reasonable duration, with all reasonable costs of same being borne by Trustor and cause a written report to be prepared and delivered to Beneficiary in connection therewith within ten (10) Calendar Days following the completion of such inspection. Trustor shall permit all such entries and inspections to be made as long as Beneficiary has given Trustor written notice of such inspection at least twenty-four (24) hours before the entry and inspection.

16. Compensation; Exculpation. Trustor shall pay to Beneficiary reasonable compensation for services rendered by Beneficiary or its agents which relate to this Deed of Trust including, without limitation, preparation of any statement of any Secured Obligation. Beneficiary shall not directly or indirectly be liable to Trustor or any other person as a consequence of: (a) the exercise of the rights, remedies or powers granted to Beneficiary under this Deed of Trust; (b) the failure or refusal of Beneficiary to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or under this Deed of Trust; or (c) any loss sustained by Trustor or any third party resulting from Beneficiary's failure to lease the Real Property after an Event of Default or from any other act or omission of Beneficiary in managing the Real Property after an Event of Default unless the loss is caused by the willful misconduct and/or bad faith of Beneficiary.

17. General Indemnification. Trustor shall indemnify and hold harmless Beneficiary and its officers, directors, shareholders, agents, and employees, any parent, subsidiary or affiliated company of Beneficiary, owners of participation interests in the Loan or the Loan Documents, any purchasers who acquire all or part of the Property at any foreclosure sale, any recipient of a deed or assignment in lieu of foreclosure of all or part of the Property and the officers, directors, shareholders, partners, members, managers, employees and agents of each of them, and the successors and assigns of each of the foregoing, from and against all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title, cost of evidence of value, and other expenses which Beneficiary may suffer or incur: (a) by reason of this Deed of Trust or any of the other Loan Documents; (b) in performance of any act required or permitted hereunder, under any of the other Loan Documents or by law, unless the loss is caused by the gross negligence or willful misconduct of Beneficiary or any other indemnified party; (c) as a result of any failure of Trustor to perform any of Trustor's obligations; or (d) by reason of any alleged obligation or undertaking on Trustor's part to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained herein or in any of the other Loan Documents.

18. Estoppel Certificate. Trustor shall, at any time and from time to time upon not less than ten (10) Calendar Days prior written notice from Beneficiary, execute, acknowledge and deliver to Beneficiary a statement: (a) certifying that this Deed of Trust and the other Secured Obligations are

unmodified and in full force and effect or, if modified, stating the nature thereof and certifying that each Secured Obligation, as so modified, is in full force and effect and the date to which principal, interest and other sums secured hereby have been paid; and (b) acknowledging that Beneficiary is not in breach of any of its obligations under this Deed of Trust or any of the other Loan Documents or specifying such breach if any is claimed. Any such certificate may be conclusively relied upon by Beneficiary and any prospective purchaser or assignee of any Secured Obligation. Trustor's failure to deliver such certificate within such time shall be conclusive upon Trustor that: (i) the Secured Obligations are in full force and effect, without modification, except as may be represented by Beneficiary; and (ii) there are no such breaches by Beneficiary.

19. Further Assurances. Trustor shall promptly make, execute, acknowledge and deliver, in form and substance reasonably satisfactory to Beneficiary, all additional instruments, agreements and other documents, and Trustor shall do all other acts, as may at any time hereafter be reasonably requested by Beneficiary to effectuate and carry out the purposes of this Deed of Trust and each of the Secured Obligations.

20. Expenses and Fees. All reasonable expenses, costs and other liabilities, including reasonable attorneys' fees, which Beneficiary or Trustee may incur: (a) in enforcing, defending or construing this Deed of Trust (or its priority) or any of the other Loan Documents, (b) subject to the last sentence of Section 5(e)(3) of this Deed of Trust, for any inspection, evaluation, appraisal, survey or other service in connection with any of the Property; (c) for any title examination or title insurance policy relating to the title to any of the Property; or (d) in the exercise by Beneficiary of any rights or remedies granted by this Deed of Trust or any of the other Loan Documents, shall be paid by Trustor upon demand by Beneficiary, together with interest thereon, from the date of expenditure until payment in full, at the Default Rate under the Note. Notwithstanding the foregoing, Trustor shall not be obligated to pay any costs, fees or expenses associated with or in connection with any assignment, sale or transfer of the Loan by Beneficiary.

21. Assignment by Beneficiary. Beneficiary shall have the right at any time and from time to time during the term of the Loan to sell, assign, syndicate or otherwise transfer and/or dispose of all or any portion of its interest in the Loan to any third party or parties. To the extent of any assignment by Beneficiary, Beneficiary shall be fully relieved of any and all liability of any nature whatsoever to Trustor, or its successors or assigns, in any way relating to the Loan and arising after the date of such assignments. As used in this Deed of Trust, the term "Beneficiary" shall include Beneficiary, its successors, assigns, endorsees and participants. In the event Trustor, or its successors or assigns, asserts any claim (including, without limitation, counterclaims and third party claims) or seeks any relief in any way relating or pertaining to the Loan, including any such claim relating to any act or omission by Beneficiary, or its successors or assigns, or the officers, directors, shareholders, employees, agents or attorneys of any of the foregoing, such claim or relief may be sought or asserted only against the then-holder and owner of the Note or this Deed of Trust, Trustor, for Trustor and its successors and assigns, expressly covenants not to sue, make claim or seek relief against any prior holder of the Note or this Deed of Trust, or any officer, director, shareholder, employee, agent or attorney of any past, present or future holder or participant of the Note or this Deed of Trust, Trustor shall not seek to recover in connection with any such claim, and Trustor waives its right to seek or recover, any nominal, consequential, punitive or exemplary damages, it being agreed that any damage award shall be limited to actual damages proved by Trustor. Those parties other than Beneficiary which are described in this Section 21 are intended beneficiaries hereof. Notwithstanding anything in this Deed of Trust, the Note, or any other document evidencing, securing or setting forth the terms of the Loan evidenced by the Note, the terms of this Section 21 shall survive indefinitely, notwithstanding any payment of the obligations secured hereby or any satisfaction, cancellation or release of this Deed of Trust and shall not be subject to any term or provision of any such document limiting the liability of Trustor.

22. Beneficiary's Powers. Beneficiary may commence, appear in, defend or prosecute any assigned claim or action; and Beneficiary may adjust, compromise, settle and collect all claims and awards assigned to Beneficiary, but shall not be responsible for any failure to collect any claim or award regardless of the cause of the failure. Without affecting the liability of any other person liable for the

payment of any obligation herein mentioned, and without affecting the lien or charge of this Deed of Trust upon any portion of the Property not then or theretofore released as security for the full amount of the Secured Obligations, Beneficiary may, from time to time and without notice: (a) release any person so liable; (b) extend the maturity or alter any of the terms of any such obligation; (c) grant other indulgences; (d) release or reconvey, or cause to be released or reconveyed, at any time and at Beneficiary's option, any parcel, portion or all of the Property; (e) take or release any other or additional security for any Secured Obligation; or (f) compromise or make other arrangements with debtors in relation thereto.

23. Trustee's Powers. At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and without altering or affecting the obligations and liability of Trustor or any other person for payment of the Note or any other sums secured by this Deed of Trust and the Loan Documents, or the lien of this Deed of Trust upon the remainder of the Property, or any right or power of Beneficiary or Trustee with respect to the remainder of the Property, Trustee may (a) reconvey or release any part of the Property from the lien of this Deed of Trust; (b) consent in writing to the making of any map or plat thereof; (c) join in granting any easement thereon; or (d) join in any extension agreement or any agreement subordinating the lien or charge hereof. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor agrees to pay a reasonable Trustee's fee for full or partial reconveyance, together with a recording fee if the Trustee, at its option, elects to record said reconveyance.

24. Security Agreement; Fixture Filing.

(a) Uniform Commercial Code Security Agreement. This Deed of Trust is intended to be and shall constitute a security agreement under the UCC for any of the Property that, under governmental requirements, may be subject to a security interest under the UCC and Trustor grants to Beneficiary a security interest in such Property (collectively, the "Collateral"). Trustor authorizes Beneficiary to file financing statements (including any amendments to existing financing statements, as applicable), in all states, counties and other jurisdictions as Beneficiary may elect, without Trustor's signature if permitted by law. Trustor agrees that Beneficiary may file this Deed of Trust, or a copy of it, in the real estate records or other appropriate index and in the Offices of the Secretary of State of the State of Nevada, and such other states as Beneficiary may elect, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this Deed of Trust or executed duplicate original of this Deed of Trust, or a copy certified by a County Recorder in the State of Nevada, or of any other security agreement or financing statement, shall be sufficient as a financing statement. Trustor agrees that and hereby authorizes Beneficiary to file one or more UCC financing statements in the Office of the Secretary of State of the State of Nevada and/or such other states as Beneficiary may elect. Trustor agrees to execute and deliver to Beneficiary, at Beneficiary's request, any UCC financing statements, and any extensions, renewals and amendments, and copies of this Deed of Trust in such form as Beneficiary may require, to perfect a security interest with respect to the Property. Trustor shall pay all costs of filing such UCC financing statements and any extensions, renewals, amendments and releases of such statements, and shall pay all reasonable costs and expenses of any record searches for financing statements that Beneficiary may reasonably require. Without the prior written consent of Beneficiary, Trustor shall not create or suffer to be created any other security interest in the Collateral, including any replacements and additions. The lien hereof will automatically attach, without further act, to all of Trustor's right, title and interest in and to any after-acquired property attached to and/or used in connection with the ownership and operation of the Real Property or any part thereof.

(b) Right of Set-Off. Trustor hereby specifically acknowledges and agrees that the security interest in and to the Collateral as set forth above does and shall include, and Trustor hereby expressly grants Beneficiary a contractual security interest in and hereby assigns, conveys, delivers, pledges and transfers all of Trustor's right, title and interest in and to Trustor's accounts with Beneficiary (whether checking, savings, or other type of account), including, without limitation, all accounts held jointly with someone else and all accounts Trustor may open in the future, excluding, however, all accounts for which the grant of a security interest would be prohibited by law. To the extent permitted by applicable

law, Trustor authorizes Beneficiary to charge or setoff all indebtedness under the Loan Documents against any and all such accounts

(c) Legal Name; Addresses; Organizational Number. Trustor's exact legal name is as set forth in the first paragraph of this Deed of Trust. Trustor is a Nevada limited liability company, and its organizational identification number is E0345282008-0. Trustor maintains a place of business at the Real Property and in the State of Nevada, at the address set forth in this Deed of Trust. Trustor will immediately notify Beneficiary in writing and in no event later than five (5) Calendar Days, of any change in its exact legal name, place of business, or of any change whatsoever in its organizational structure including, without limitation, any mergers, conversions or sale of any member's membership interest.

(d) Additional Rights of Beneficiary. In addition to Beneficiary's rights under the UCC Beneficiary may, but shall not be obligated to, at any time without notice and at the expense of Trustor: (i) give notice to any person of Beneficiary's rights hereunder and enforce such rights; (ii) insure, protect, defend and preserve the Collateral and any rights or interest of Beneficiary therein; (iii) inspect the Collateral; and (iv) endorse, collect and receive any right to payment of money owing to Trustor under or from the Collateral. Beneficiary shall have no duty or obligation to make or give any presentments, demand for performance, notices of nonperformance, notices of protest or notices of dishonor in connection with any of the Collateral.

(e) Remedies. Upon the occurrence of any Event of Default, Beneficiary shall have the remedies of a secured party under the UCC and, at Beneficiary's option, may also invoke the remedies in Section 27 of this Deed of Trust as to such items. In exercising any of these remedies, Beneficiary may proceed against the items of Collateral separately or together and in any order whatsoever, without in any way affecting the availability of Beneficiary's remedies under the UCC or of the remedies in Section 27 of this Deed of Trust.

(f) Fixture Filing. This Deed of Trust constitutes a financing statement filed as a fixture filing under the NRS, Section 104.9502, as amended from time to time, in the official records of the county in which the Real Property is located with respect to any and all Fixtures included within the term "Property" and with respect to any goods or other personal property that may now be or hereafter become Fixtures. PARTS OF THE PERSONAL PROPERTY ARE, OR ARE TO BECOME, FIXTURES ON THE PROPERTY.

(g) No Impairment of Deed of Trust. Trustor and Beneficiary agree that the filing of a financing statement and/or amendments to existing financing statements in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing this Deed of Trust. It is the intention of the parties that everything used in connection with the production of income from the Property or adapted for use therein or which is described or reflected in this Deed of Trust is and shall be, at all times and for all purposes and in all proceedings, both legal or equitable, regarded as part of the real estate subject to the lien hereof irrespective of whether: (i) any such item is physically attached to improvements located on such Real Property; (ii) serial numbers are used for the better identification of certain items capable of being thus identified in a recital contained herein; or (iii) any such item is referred to or reflected in any financing statement so filed at any time. Similarly, the mention in any such financing statement of: (A) the rights in, or the proceeds of, any fire or hazard insurance policy; (B) Trustor's interest as lessor in any present or future lease, sublease or rights to income derived from the use and/or occupancy of the Property, whether pursuant to a lease, sublease or otherwise; or (C) any award in eminent domain proceedings for taking or for loss of value or for any cause of action or proceeds thereof in connection with any damage or injury to the Property or any part thereof shall never be construed as in any way altering any of the rights of Beneficiary as determined by this instrument or impugning the priority of Beneficiary's lien granted hereby or by any other recorded document, but such mention in such financing statement is declared to be for the protection of Beneficiary in the event any court shall at any time hold with respect to matters (A) and (B) hereinabove that notice of Beneficiary's priority of interest, to be effective against a particular class of persons, including, without limitation, the Federal government and any subdivision or entity of the Federal government, must be filed in the personal property records or other commercial code records. The information contained herein is

provided in order that this Deed of Trust shall comply with the requirements of the UCC for instruments to be filed as financing statements. The "Debtor" is Trustor herein and the "Secured Party" is Beneficiary herein. The principal place of business of the Debtor is 990 Ironwood Drive, Minden, Nevada 89423, the mailing address of Debtor and Secured Party are as set forth in Section 40 of this Deed of Trust, and the types or items of collateral are as described hereinabove.

(h) Removal or Replacement of Collateral. Trustor shall not permit any of the Collateral to be removed from the Real Property without the prior written consent of Beneficiary unless: (i) the removal is in the ordinary course of business; or (ii) the replacements for such items of Collateral are of equivalent value and quality, and (A) Trustor acquires such replacements and has good and clear title to such replacements free and clear of any and all liens, encumbrances, security interests, ownership interests, claims of title (contingent or otherwise) or charges of any kind or the rights of any such conditional sellers, vendors or any other third parties have been expressly subordinated, at no cost to Beneficiary, to the lien and security interest granted hereby in a manner satisfactory to Beneficiary, and (B) Beneficiary acquires a perfected priority security interest in such replacement Collateral.

(i) Purchase Money Security Interest in Fixtures. In the event that: (i) Trustor intends to purchase any Goods (including any Goods to replace existing Collateral), which may become Fixtures to the Real Property, or any part thereof; and (ii) such Goods will be subject to a security interest held by a seller or any other party; and (iii) the purchase price of such Goods, whether in one transaction or in a series of related transactions is Two Hundred Fifty Thousand Dollars (\$250,000.00), or more, Trustor shall, before executing any security agreement or other document evidencing such security interest, obtain the prior written approval of Beneficiary, and all requests for such written approval shall be in writing and contain the following information:

(A) A description of the Collateral to be replaced, added to, installed or substituted;

(B) The address at which the Collateral will be replaced, added to, installed or substituted; and

(C) The name and address of the proposed holder and proposed amount of the security interest; and any failure of Trustor to obtain such approval shall be a material breach of Trustor's covenants under this Deed of Trust, and shall, at the option of Beneficiary, entitle Beneficiary to all rights and remedies provided for herein upon default. No consent by Beneficiary pursuant to this section shall be deemed to constitute an agreement to subordinate any right of Beneficiary in the Fixtures or other Property covered by this Deed of Trust.

(j) Failure to Pay. If at any time Trustor fails to make any payment on an obligation secured by a security interest in any Collateral, Beneficiary, at its option, may at any time pay the amount secured by such security interest and the amount so paid shall be: (i) secured by this Deed of Trust and shall be a lien on the Property having the same priorities as the liens and security interests created by this Deed of Trust; and (ii) payable on demand with interest at the Default Rate under the Note from the time of such payment. If Trustor shall fail to make such payment to Beneficiary within ten (10) days after demand, the entire principal sum secured thereby with all unpaid accrued interest and late charges or other amounts owing thereunder, shall, at the option of Beneficiary, become due and payable immediately.

(k) Control Agreement. Following the receipt of a request from Beneficiary, Trustor will cooperate with Beneficiary (including, without limitation, executing and delivering all documents, agreements and instruments in connection therewith), in obtaining a control agreement in form and substance satisfactory to Beneficiary with respect to Collateral consisting of: Deposit Accounts; Investment Property; Letters of Credit, Letter of Credit Rights; and Electronic Chattel Paper (as such terms are defined in the UCC).

(l) Chattel Paper. Trustor will not create any Chattel Paper without placing a legend on the Chattel Paper acceptable to Beneficiary indicating that Beneficiary has a security interest in the Chattel Paper.

25. Transfers.

(a) Due on Sale or Encumbrance. Trustor agrees that neither Trustor, nor any members of Trustor, shall directly or indirectly "Transfer" the Property, whether voluntary, involuntary or by operation of law, or suffer or permit the same, without Beneficiary's prior written consent. As used herein, "Transfer" shall mean:

(i) Any sale, transfer, conveyance, hypothecation, encumbrance or vesting of the Leasehold Estate, the Ground Lease and/or the Property, or any part thereof or interest therein, or any lease or sublease of all or substantially all of the Leasehold Estate and/or the Property, to or in any Person, whether voluntary, involuntary, by operation of law or otherwise,

(ii) Any sale, transfer, assignment, conveyance, hypothecation, encumbrance or vesting of any membership interest or other legal or beneficial ownership interest in Trustor or any partnership interest, membership interest, stock interest or other legal or beneficial ownership interest in any member of Trustor, to any Person, whether voluntary, involuntary, by operation of law or otherwise. Without limiting the foregoing, in the event such sale, transfer, assignment, conveyance, hypothecation, encumbrance or vesting of such legal or beneficial ownership interest in Trustor: (1) either in one transaction or a series of related transactions involves less than forty-nine percent (49%) of the legal or beneficial ownership interests in Trustor or any person or entity which owns a majority of the legal or beneficial ownership interests in Trustor; (2) arises from the death of an individual; (3) involves a transfer made to any Affiliates of the subject transferring member; and/or (4) involves a transfer made for estate planning purposes, then in such events, the Beneficiary's consent shall not be unreasonably withheld or delayed.

(iii) In the event Borrower, an Affiliate of Borrower and/or an Affiliate of Trustor shall manage the Property, any sale, transfer, assignment, conveyance, hypothecation, encumbrance or vesting of any stock or other legal or beneficial ownership interest in such Manager or any partnership interest, membership interest, stock interest or other legal or beneficial ownership interest in any shareholder of such Manager, to any Person, whether voluntary, involuntary, by operation of law or otherwise. Without limiting the foregoing, in the event such sale, transfer, assignment, conveyance, hypothecation, encumbrance or vesting of such legal or beneficial ownership interest in such Manager: (1) either in one transaction or a series of related transactions involves less than forty-nine percent (49%) of the legal or beneficial ownership interests in such Manager or any person or entity which owns a majority of the legal or beneficial ownership interests in such Manager; (2) arises from the death of an individual; (3) involves a transfer made to any Affiliates of the subject transferring partner, member and/or shareholder; and/or (4) involves a transfer made for estate planning purposes, then in such events, the Beneficiary's consent shall not be unreasonably withheld or delayed.

(iv) The execution and delivery by Trustor of any mortgage, deed of trust, security agreement, financing statement or other security instrument covering all or any portion of the Property, unless previously approved by Beneficiary in writing.

(v) The execution and delivery by Trustor of any easements or rights of way agreements affecting property lines or similar agreements affecting the Real Property, unless previously approved by Beneficiary in writing.

(vi) The execution of any agreements to do any of the foregoing.

In the event that Beneficiary, in Beneficiary's sole discretion, is willing to consent to a Transfer which would otherwise be prohibited by this Section 25(a), Beneficiary may condition its consent on such

terms as it desires, including, without limitation, an increase in the interest rate of the Note (and recalculation of the amortization provisions thereof), and the requirement that Trustor pay a transfer fee, together with any expenses incurred by Beneficiary in connection with the granting of such consent (including, without limitation, attorneys' fees).

(b) Acceleration. Trustor acknowledges and agrees that the creditworthiness and expertise of Trustor in owning and operating the Property is a material factor in Beneficiary's decision to make the Loan. Accordingly, if any Transfer occurs without Beneficiary's prior written consent, then, at its sole option, Beneficiary may, by written notice to Trustor, declare all Secured Obligations immediately due and payable. Trustor shall notify Beneficiary promptly in writing of all Transfers.

(c) Default Rate. Upon the occurrence of any Transfer without Beneficiary's prior written consent, which consent may be withheld by Beneficiary in its sole discretion, and without waiving Beneficiary's right to declare all Secured Obligations immediately due and payable, all Secured Obligations shall bear interest at the Default Rate under the Note.

26. Event of Default. Each of the following events is an "Event of Default" hereunder:

(a) Failure to Perform or Comply. The failure by Trustor to timely perform or comply with any term, obligation, covenant or condition contained in this Deed of Trust, and the failure of Trustor to cure such breach within thirty (30) Calendar Days after the date of receipt of written notice thereof from Beneficiary provided, however, if such cure cannot reasonably be completed within such thirty (30) Calendar Day period, such cure period shall be extended for up to sixty (60) additional Calendar Days, provided Trustor commences such cure within such initial thirty (30) Calendar Day period and thereafter diligently pursues such cure to completion

(b) Event of Default under Loan. The occurrence of an event of default by Borrower under the Note, the Golf Course Deed of Trust, the Beach Club Deed of Trust or any of the other Loan Documents, which default has not been cured within any applicable notice and cure periods pursuant to the Loan Documents.

(c) Transfer. The occurrence of any Transfer prohibited by this Deed of Trust; provided, however, if such Transfer is an involuntary lien or encumbrance recorded against the Property, the failure by Trustor to cause such involuntary lien or encumbrance to be released from the Property within thirty (30) Calendar Days after the date such involuntary lien or encumbrance was recorded against the Property

(d) Ground Lease - Default. The occurrence of a breach, violation or default by Trustor under the Ground Lease, which remains uncured beyond any applicable cure period or the failure of Trustor to diligently enforce its rights and remedies under the Ground Lease upon any default by the lessor under the Ground Lease.

(e) Ground Lease - Modification. Any termination, cancellation, amendment, modification, restatement or assignment of the Ground Lease, or any waiver of any right, privilege or benefit of Trustor under the Ground Lease, or any waiver of any covenant, agreement or obligations of the lessor under the Ground Lease, without the prior written consent of Beneficiary.

(f) Lot Line Adjustment. Except as expressly provided pursuant to Section 57 below, the occurrence of a Lot Line Adjustment (as such term is defined in Section 57 below), without the prior written consent of Beneficiary.

(g) Intentionally Deleted

(h) Other Event of Default. The occurrence of any other event constituting an Event of Default pursuant to this Deed of Trust or the occurrence of any event constituting an event of default pursuant to the other Loan Documents, after the lapse of any applicable notice and cure periods.

27. Remedies. Upon the occurrence of an Event of Default under this Deed of Trust or upon the occurrence of any event constituting an event of default under any of the other Loan Documents, Beneficiary may at any time, at its option and in its sole discretion, declare all Secured Obligations to be due and payable without notice, presentment, protest, demand or action of any nature whatsoever (each of which is hereby expressly waived by Trustor), and the same shall thereupon become immediately due and payable, including any prepayment charge or fee payable under the terms of any Secured Obligation, court costs and attorneys' fees hereunder; provided, however, upon the occurrence of any Event of Default set forth in Sections 6.1(f) and 6.1(g) of the Loan Agreement, all Secured Obligations shall automatically be immediately due and payable. Beneficiary may also do any or all of the following to the fullest extent permitted by law, although it shall have no obligation to do any of the following:

(a) Entry. Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of Beneficiary's security, enter upon and take possession of the Property, or any part thereof, and do any acts which Beneficiary deems reasonably necessary or desirable to preserve the value, marketability or rentability of the Property, or to increase the income therefrom or to protect the security hereof and, with or without taking possession of any of the Property, sue for or otherwise collect all rents and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees and expenses, upon the Secured Obligations, all in such order as Beneficiary may determine. The collection of Rents and the application thereof shall not cure or waive any Event of Default or notice thereof or invalidate any act done in response thereto or pursuant to such notice.

(b) Appointment of Receiver. As a matter of right and without notice to Trustor or any one claiming under Trustor, and without regard to the then value of the Property or the interest of Trustor therein, apply to any court having jurisdiction to appoint a receiver or receivers of the Property, and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided herein and shall continue as such and exercise all such powers until the later of the date of confirmation of sale of the Property or the date of expiration of any redemption period unless such receivership is sooner terminated.

(c) Judicial Foreclosure. Bring an action in any court of competent jurisdiction to judicially foreclose this Deed of Trust or to enforce any of the Secured Obligations secured hereby.

(d) Power of Sale. Elect to sell by power of sale all or any portion of the Property in any manner permitted under applicable law. For any sale under the power of sale granted by this Deed of Trust, Beneficiary shall cause Trustee to record and give all notices required by law. After compliance with such notice requirements, and upon the expiration of such time as is required by law, Trustee may sell the Property upon any terms and conditions specified by Beneficiary and permitted by applicable law. Trustee may, and upon request of Beneficiary shall, from time to time, postpone the sale by public announcement thereof at the time and place noticed therefor. If the Real Property consists of several lots, parcels or interests, Beneficiary may designate the order in which the same shall be offered for sale or sold. Trustor waives all rights to direct the order in which any of the Property will be sold in the event of any sale under this Deed of Trust, and also any of right to have any of the Property marshaled upon any sale. In the case of a sale under this Deed of Trust, the Property, real, personal and mixed, may be sold in one parcel or more than one parcel. The sale or sales by Beneficiary of less than the whole of the Property shall not exhaust the power of sale herein granted, and Beneficiary is specifically empowered to make successive sale or sales under such power until the whole of the Property shall be sold. Should Beneficiary desire that more than one such sale or other disposition be conducted, Beneficiary may, at its option, cause the same to be conducted simultaneously, or successively on the same day, or at such different days or times and in such order as Beneficiary may deem to be in its best interest. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale. Upon any sale, Trustee shall execute

and deliver to the purchaser or purchasers a deed or deeds conveying the property so sold, but without any covenant or warranty whatsoever, express or implied, whereupon such purchaser or purchasers shall be let into immediate possession. Beneficiary, from time to time before the trustee's sale pursuant to this section, may rescind any notice of breach or default and of election to cause to be sold the Property by executing and delivering to Trustee a written notice of such rescission, which notice, shall also constitute a cancellation of any prior declaration of default and demand for sale. The exercise by Beneficiary of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring or impair the right of Beneficiary to execute and deliver to Trustee, as above provided, other declarations of default and demand for sale, and notices of breach or default, the obligations hereof, nor otherwise affect any provision, covenant or condition of the Note and/or of this Deed of Trust or any of the rights, obligations or remedies of the parties thereunder or hereunder.

After foreclosure of this Deed of Trust, any sale of the Property or any portion thereof, Trustor will be divested of any and all interest and claim thereto, including any interest or claim to all insurance policies, bonds, loan commitments and other intangible property covered hereby. Additionally, after a sale of all or any portion of the Property, Trustor will be considered a tenant at sufferance of the purchaser of the same, and said purchaser shall be entitled to immediate possession thereof, and if Trustor shall fail to vacate the Property immediately, the purchaser may and shall have the right, without further notice to Trustor, to go into any court of competent jurisdiction in any city or county in which the Property is located and file an action in ejectment, which action shall lie against Trustor or its assigns or legal representatives, as a tenant at sufferance. This remedy is cumulative of any and all remedies the purchaser may have hereunder or otherwise.

(e) Waiver of Redemption, Notice and Marshalling of Assets. To the fullest extent permitted by law, Trustor hereby irrevocably and unconditionally waives and releases: (i) all benefits that might accrue to Trustor by any present or future laws exempting the Property from attachment, levy or sale on execution or providing for any appraisal, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment; (ii) all notices of any Event of Default (except as may be specifically provided for under the terms hereof), presentment, demand, notice of intent to accelerate, notice of acceleration and any other notice of Beneficiary's election to exercise or the actual exercise of any right, remedy or recourse provided for under the Loan Documents; (iii) any right to appraisal or marshaling of assets or a sale in inverse order of alienation and including any rights provided by NRS Sections 100.040 and 100.050, in the event of foreclosure of the liens created hereby; and (iv) the administration of estates of decedents, or other matter to defeat, reduce or affect the right of Beneficiary under the terms of this Deed of Trust to sell the Property for the collection of the Secured Obligations (without any prior or different resort for collection) or the right of Beneficiary, under the terms of this Deed of Trust, to the payment of the Indebtedness out of the proceeds of sale of the Property in preference to every other person and claimant whatever (only reasonable expenses of such sale being first deducted).

(f) Uniform Commercial Code. Exercise any or all of the remedies available to a secured party under the UCC including, but not limited to:

(i) Either personally or by means of a court-appointed receiver, take possession of all or any of the Collateral and exclude therefrom Trustor and all others claiming under Trustor and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Trustor in respect to the Collateral; and in the event Beneficiary demands or attempts to take possession of the Collateral in the exercise of any of its rights hereunder, Trustor promises and agrees promptly to turn over and deliver complete possession thereof to Beneficiary;

(ii) Without notice to or demand upon Trustor, make such payments and do such acts as Beneficiary may deem necessary to protect its security interest in the Collateral including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior or superior to the security interest granted hereunder, and in exercising any such powers or authority, to pay all expenses incurred in connection therewith;

(iii) Require Trustor to assemble the Collateral or any portion thereof at a place designated by Beneficiary and promptly deliver such Collateral to Beneficiary or an agent or representative designated by Beneficiary. Beneficiary, its agents and representatives, shall have the right to enter upon any or all of Trustor's premises and property to exercise Beneficiary's rights hereunder; and

(iv) Sell, lease or otherwise dispose of the Collateral at public sale, with or without having the Collateral at the place of sale, and upon such terms and in such manner as Beneficiary may determine; and Beneficiary may be a purchaser at any such sale. In any sale, lease or other disposition of any Collateral, Beneficiary shall have the right to disclaim any or all warranties of any kind, if applicable, which by law may be disclaimed, and no such disclaimer shall be considered to affect the commercial reasonableness of such sale, lease or other disposition. Beneficiary shall not be deemed to have accepted any property other than cash in satisfaction of any Secured Obligation unless Beneficiary shall make an express written election of said remedy.

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

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

(ii) Second, payment of all sums expended by Beneficiary under the terms of this Deed of Trust and not yet repaid, together with interest on such sums at the Default Rate set forth in the Note;

(iii) Third, payment of the Secured Obligations of Trustor secured by this Deed of Trust, in any order that Beneficiary chooses; and

(iv) Fourth, the remainder, if any, to the person or persons legally entitled to it.

(h) Remedies are Cumulative. All remedies contained in this Deed of Trust are cumulative, and Beneficiary has the right to exercise: (i) all other remedies provided by law, in equity, or in any other agreement between Trustor and Beneficiary; and (ii) all rights, privileges and benefits granted or afforded to Beneficiary in its capacity as a leasehold mortgagee, pursuant to and in accordance with the Ground Lease. No delay or failure by Beneficiary to exercise any right or remedy under this Deed of Trust shall be construed to be a waiver of that right or remedy or of any default by Trustor. Beneficiary may exercise any one (1) or more of its rights and remedies at its option without regard to the adequacy of its security.

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

(j) No Cure or Waiver. Neither Beneficiary's nor Trustee's nor any receiver's entry upon and taking possession of all or any part of the Property, nor any collection of Rents, Proceeds, other security or proceeds of other security, or other sums, nor the application of any collected sums to any Secured Obligation, nor the exercise of any other right or remedy by Beneficiary or Trustee or any receiver shall cure or waive any breach, Event of Default or notice of default under this Deed of Trust, nor nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and Trustor has cured all other defaults), or impair the status of the security, or prejudice Beneficiary or Trustee in the exercise of any right or remedy, or be construed as an affirmation by Beneficiary of any tenancy, lease, or option or a subordination of the lien of this Deed of Trust.

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

(l) Actions by Trustee or Beneficiary. If Trustor fails to make any payment or to do any act as and in the manner provided in any of the Loan Documents and such failure is not remedied by Trustor, Beneficiary and/or Trustee, each in its absolute and sole discretion, without obligation so to do, without releasing Trustor from any obligation, and with only such notice to or demand upon Trustor as may be reasonable under the then existing circumstances, but in no event exceeding ten (10) Calendar Days prior written notice, may make or do the same in such manner and to such extent as either may deem necessary or appropriate. In connection therewith (without limiting their general powers, whether conferred herein, in another Loan Document or by law), Beneficiary and Trustee shall have and are hereby given the right, but not the obligation: (i) to enter upon and take possession of the Property; (ii) to make additions, alterations, repairs and improvements to the Real Property that they or either of them may consider necessary or appropriate to keep the Real Property in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Beneficiary or Trustee; (iv) to pay, purchase, contest or compromise any Lien or Encumbrance or alleged Lien or Encumbrance, whether superior or junior to this Deed of Trust; and (v) in exercising such powers, to pay necessary expenses (including, without limitation, expenses of employment of counsel or other necessary or desirable consultants). Trustor shall, immediately upon demand therefor by Beneficiary and Trustee, or either of them, pay to Beneficiary and Trustee an amount equal to all respective costs and expenses incurred by them in connection with the exercise by either Beneficiary or Trustee or both of the foregoing rights (including, without limitation, costs of evidence of title, court costs, appraisals, surveys and receiver's, trustee's and attorneys' fees), together with interest thereon from the date of such expenditures at the Default Rate under the Note. "Lien or Encumbrance" means each and all of the following in respect of the Property: leases, other rights to occupy or use, mortgages, deeds of trust, pledges, security agreements, assignments, assignments as security, conditional sales, title retention arrangements or agreements, conditions, covenants and restrictions, and other charges, liens, encumbrances or adverse interests, whether voluntarily or involuntarily created and regardless of whether prior or subordinate to any estate, right, title or interest granted to Trustee or Beneficiary in this Deed of Trust, excluding from the foregoing the Permitted Encumbrances. "Person" means any natural person, unincorporated association, corporation, partnership, joint venture, trust, other legal entity, or any Governmental Authority.

(m) Preference. Any monies Beneficiary pays because of an asserted preference claim in Trustor's bankruptcy will become a part of the Secured Obligations evidenced and secured by this Deed of Trust.

(n) Equity of Redemption. In the event that Trustor has an equity of redemption and the Property is sold pursuant to the power of sale or otherwise under or by virtue of this section, the purchaser may, during any redemption period allowed, make such repairs or alterations on said Property as may be reasonably necessary for the proper operation, care, preservation, protection and insuring thereof. Any sums so paid together with interest thereon from the time of such expenditures at the Default Rate under the Note shall be added to and become a part of the amount required to be paid for redemption from such sale.

(o) Other Remedies. Exercise all other rights and remedies under this Deed of Trust and each of the other Loan Documents.

28. No Offset. Under no circumstances shall Trustor fail or delay to perform (or resist the enforcement of) any of its obligations in connection with any of the Loan Documents because of any

alleged offsetting claim or cause of action against Beneficiary (or any indebtedness or obligation of Beneficiary) which has not been confirmed in a final judgment of a court of competent jurisdiction (sustained on appeal, if any), against Beneficiary, and Trustor hereby waives any such rights of setoff (or offset) which it might otherwise have with respect to any such claims or causes of action against Beneficiary (or any such obligations or indebtedness of Beneficiary), unless and until such right of setoff is confirmed and liquidated by such a final judgment. Trustor further waives any right that it might otherwise have to require a marshalling of any security of Beneficiary or to direct the order in which Beneficiary pursues its rights or remedies with respect to any of its security.

29. Releases, Extensions, Modifications and Additional Security. Without notice to or the consent, approval or agreement of Trustor, any subsequent owner of any part of the Property, any maker, surety, guarantor, or endorser of this Deed of Trust or any other Secured Obligation, or any holder of a lien or other claim on all or any part of the Property, whether senior or subordinate hereto, Beneficiary may, from time to time, do one or more of the following: release any person's liability for the payment of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation, or accept additional security or release all or a portion of the Property and other security for any Secured Obligation. No such release of liability, taking of additional security, release of security, change in terms or conditions of any Secured Obligation, or other action shall release or reduce the liability of Trustor, subsequent purchasers of all or any part of the Property, or makers, sureties, guarantors or endorsers of this Deed of Trust or any other Secured Obligation, under any covenant of this Deed of Trust or any other Secured Obligation, or release or impair the priority of the lien of this Deed of Trust upon any of the Property.

30. No Waiver. Any failure by Beneficiary to insist upon the strict performance by Trustor of any of the terms and provisions of any of the Loan Documents or government requirements or any waiver by Beneficiary of any right or remedy granted to Beneficiary under the Loan Documents or government requirements as to any transaction or occurrence shall not be deemed to be a waiver of any future transaction or occurrence or of the rights and remedies of Beneficiary under the terms and provisions of any of the Loan Documents; and Beneficiary, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Trustor of any and all of the terms and provisions of each of the Loan Documents. The acceptance by Beneficiary of any sum after any Event of Default shall not constitute a waiver of the right to require prompt performance of all of the covenants and conditions contained in any of the Loan Documents. The acceptance by Beneficiary of any sum secured by this Deed of Trust after its due date or any sum less than the sum then due shall be deemed an acceptance on account only and shall not constitute a waiver of the obligation of Trustor to pay the entire sum then due. Trustor's failure to pay said entire sum due shall be and continue to be an Event of Default notwithstanding such acceptance of such lesser amount on account, Beneficiary shall be entitled to exercise all rights conferred upon it following an Event of Default notwithstanding such acceptance. Notwithstanding the foregoing, no waiver by Beneficiary of any rights or remedy provided by the Loan Documents or governmental requirements shall be effective unless such waiver is in writing and executed by Beneficiary.

31. Taxation of Deed of Trust. In the event of the enactment of any law deducting from the value of the Property any mortgage lien on it, or imposing on Beneficiary the payment of all or part of the taxes, charges or assessments previously paid by Trustor under this Deed of Trust, or changing the law relating to the taxation of mortgages, debts secured by mortgages or Beneficiary's interest in the Property so as to impose new incidents of tax on Beneficiary, then Trustor shall pay such taxes or assessments or shall reimburse Beneficiary for them; provided, however, that if in the opinion of Beneficiary's counsel such payment cannot lawfully be made by Trustor, then Beneficiary may, at Beneficiary's option, declare all sums secured by this Deed of Trust to be due and payable within one hundred twenty (120) Calendar Days after the date of written notice by Trustor to Beneficiary of such tax or assessment. No Prepayment Fee shall be charged with respect to the prepayment of the Loan as provided in this Section 31 pursuant to Section 10(b) of the Note.

32. Joint and Several. If Trustor consists of more than one party, such parties shall be jointly and severally liable under any and all obligations, covenants and agreements of Trustor contained herein.

33. Cumulative. The rights and remedies of Beneficiary arising under this Deed of Trust and the other Loan Documents shall be separate, distinct and cumulative to all other rights and remedies provided by this Deed of Trust or by governmental requirements, and none of them shall be in exclusion of the others, and each may be exercised concurrently, independently or successively, in any order whatsoever. No act of Beneficiary shall be construed as an election to proceed under any one provision to the exclusion of any other provision, notwithstanding anything herein or otherwise to the contrary. Any specific enumeration of powers of Beneficiary, or of acts to be done or not to be done by Trustor, shall not be deemed to exclude or limit the general. All covenants hereof shall be construed as affording to Beneficiary rights additional to and not exclusive of the rights conferred under any applicable law.

34. Beneficiary's Statement. Beneficiary shall furnish any statement required by law regarding the obligations secured hereby or regarding the amount held in any trust or reserve fund hereunder. For any such statement, Beneficiary may charge a reasonable fee, not to exceed the maximum amount permitted by law at the time of the request therefore

35. Reconveyance. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation, and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in any such reconveyance of any matters or facts shall be conclusive proof of the truth thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

36. Substitution. Beneficiary may substitute the Trustee hereunder in any manner now or hereafter provided by law or, in lieu thereof, Beneficiary may from time to time, by an instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary and recorded in the office of the recorder of the county or counties in which the Land and Improvements are situated, shall be conclusive proof of proper substitution of such successor Trustee, who shall thereupon and without conveyance from the predecessor Trustee, succeed to all its title, estate, rights, powers and duties.

37. Governing Law; Jurisdiction and Venue. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Nevada, except to the extent that the UCC provides for the application of the law of the state of Trustor's formation. Trustor acknowledges and agrees that all actions or proceedings arising in connection with this Deed of Trust and the other Loan Documents shall be tried and litigated only in the state or federal courts of record of the State of Nevada with venue to be in Douglas County, Nevada. Trustor waives any right Trustor may have to assert the doctrine of *forum non conveniens* or to object to such venue.

38. Severability. If any provision of this Deed of Trust or any other Loan Document or the application thereof to any person or circumstance shall, to any extent, be held to be void, invalid, illegal or unenforceable in any respect, the remainder of the provisions of this Deed of Trust or any of the Loan Documents or the application of such provision to persons or circumstances other than those to which it shall have been held void, invalid, illegal or unenforceable, shall not be affected thereby (the provisions of the Deed of Trust and the Loan Documents being severable in any such instance), but shall continue to be valid and enforceable to the fullest extent permitted by applicable law.

39. No Third Party Beneficiaries. This Deed of Trust is made and entered into for the sole protection and benefit of the parties hereto, and no other person or entity shall be a direct or indirect beneficiary of, or shall have any direct or indirect cause of action or claim in connection with this Deed of Trust or any of the other Loan Documents.

40. Notices. All notices, requests and other communications to either party hereunder shall be in writing and shall be given to such party at its address set forth below or such other address as such party may hereafter specify for the purpose of notice. Each such notice, request or other communication shall be deemed to have been given and/or received, as applicable: (a) if given by certified mail, when such notice is deposited in the United States Mail with adequate first class postage prepaid, addressed as

aforesaid; (b) if given by overnight delivery, when deposited with a nationally recognized overnight delivery service such as Federal Express or Airborne with all fees and charges prepaid, addressed as provided below; (c) if given by facsimile transmission, when transmitted, provided that an original of such transmission is also sent to the intended addressee by means of the methods described in Sections 40(a), (b) or (d); or (d) if given by any other means, when delivered at the address specified herein:

Beneficiary: Dorfinco Corporation
11575 Great Oaks Way, Suite 210
Alpharetta, Georgia 30022
Attn: Division Counsel – Golf Finance
Fax: (770) 360-1458

With a copy to: Dorfinco Corporation
11575 Great Oaks Way, Suite 210
Alpharetta, Georgia 30022
Attn: President – Golf Finance
Fax: (770) 360-1467

With a copy to: Foley & Lardner LLP
402 West Broadway, Suite 2100
San Diego, California 92101
Attn: Van A. Tengberg, Esq.
Fax: (619) 234-3510

Trustor: Clear Creek Ranch II, LLC
c/o Syncon Homes
990 Ironwood Drive
Minden, Nevada 89423
Attn: Rose Towner-Cook
Fax: (775) 782-4481

With a copy to: Allen Matkins Leek Gamble Mallory & Natsis LLP
1900 Main Street, 5th Floor
Irvine, California 92614
Attn: Richard E. Stinehart, Esq.
Fax: (949) 553-8354

All notices of default shall be delivered to Landlord in accordance with this Section 40, as follows:

Landlord: CCT Founders, LLC
c/o Syncon Homes
990 Ironwood Drive
Minden, Nevada 89423
Attn: Rose Towner-Cook
Fax: (775) 782-4481

Rejection or other refusal to accept or the inability to deliver because of a change of address of which no notice was given shall be deemed to be receipt of the notice, request or communication sent. The addresses set forth above may be changed as to any party by such party delivering to the other parties at least thirty (30) Calendar Days written notice as to such change of address.

41. Request Notice of Default. Trustor requests that a copy of any notice of default and any notice of sale under this Deed of Trust be mailed to Trustor at its address specified in the preceding section.

42. Captions. The captions or headings at the beginning of each section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

43. Successors and Assigns. Each of the covenants and obligations of Trustor set forth in this Deed of Trust and each of the other Loan Documents shall run with the Leasehold Estate and shall bind Trustor, the successors and assigns of Trustor and all subsequent encumbrances and lessees of the Property and shall inure to the benefit of Beneficiary, and its respective successors and assigns.

44. Mechanics' Liens. Trustor shall pay from time to time when due, all lawful claims and demands of mechanics materialmen, laborers and others that, if unpaid, might result in or permit the creation of a lien on the Real Property or any part of it, or on the Rents arising therefrom, and in general shall do or cause to be done everything necessary so that the lien and security interest of this Deed of Trust shall be fully preserved, at Trustor's expense and without expense to Beneficiary; provided, however, that if any laws or regulations empower Trustor to discharge of record any mechanics', laborer's, materialmen's or other lien against the Real Property by the posting of a bond or other security, Trustor shall not have to make such payment if Trustor posts such bond or other security on the earlier of ten (10) Calendar Days after the filing or recording of same or within the time prescribed by law, so as not to place the Real Property in jeopardy of a lien or forfeiture.

45. Subrogation. Beneficiary shall be subrogated to any mechanic's or vendor's lien, superior titles, mortgages, deeds of trust, liens, encumbrances, rights, equities and charges of all kinds heretofore or hereafter existing on the Property, notwithstanding their release of record, to the extent that the same are paid or discharged from the proceeds of the Loan, but in no event shall the foregoing provision result in Beneficiary recovering more than the full amount of the Secured Obligations.

46. Waivers. To the fullest extent permitted by applicable law, Trustor hereby waives the benefit of all laws now existing or hereafter enacted providing for the pleading of any statute of limitation as a defense to any Secured Obligation or extending the time for the enforcement of the collection of any Secured Obligation; and Trustor agrees that Trustor shall not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any stay of execution, extension or marshaling in the event of foreclosure of the liens and security interests hereby created. To the fullest extent permitted by law, Trustor waives: (a) the benefit of all laws now existing or that may hereafter be enacted providing for any appraisal before sale of any portion of the Property; and (b) all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the Obligations and marshaling in the event of foreclosure of the liens hereby created; and (c) all rights and remedies Trustor may have or be able to assert by reason of the laws of the State of Nevada pertaining to the rights and remedies of sureties. Neither the acceptance of any partial or delinquent payment or performance, nor the failure to exercise any rights upon a default, shall be a waiver of Trustor's obligations hereunder. Beneficiary's consent to any act or omission by Trustor will not be a consent to any other or subsequent act or omission or a waiver of the need for such consent in any future or other instance. No provision of this Deed of Trust may be changed, discharged, terminated or waived except in a writing signed by the party against whom enforcement of the change, discharge, termination or waiver is sought.

47. Acts or Omissions. Beneficiary shall not be liable or responsible for its acts or omissions under this Deed of Trust, except for Beneficiary's own gross negligence or willful misconduct, or be liable or responsible for any acts or omissions of any agent, attorney or employee of Beneficiary, if selected with reasonable care.

48. Amendments. This Deed of Trust contains (or incorporates) the entire agreement of the parties hereto with respect to the matters discussed herein, and this Deed of Trust may only be modified or amended by a written instrument executed by Trustor and Beneficiary.

49. Survival of Warranties. All representations, warranties, covenants and agreements of Trustor hereunder shall survive the delivery of this Deed of Trust and shall continue in full force and effect until the full and final payment and performance of all of the Secured Obligations.

50. Time. Time is of the essence of each provision of this Deed of Trust.

51. Continuation of Payments. Notwithstanding any Taking by eminent domain or other governmental action causing injury to, or decrease in value of, the Property and creating a right to compensation therefor, Trustor shall continue to make the required payments of principal and interest on the Note and all other payments required by the Loan Documents. If, prior to the receipt by Beneficiary of such award or compensation, the Property shall have been sold in any action or proceeding to foreclose this Deed of Trust, Beneficiary shall have the right to receive said award or compensation to the extent of any deficiency found to be due upon such sale, with interest thereon, whether or not a deficiency judgment on this Deed of Trust shall have been sought or recovered, together with reasonable counsel fees and the costs and disbursements incurred by Beneficiary in connection with the collection of such award or compensation.

52. Sums Advanced to Bear Interest and to be Secured by Deed of Trust. At Beneficiary's request, Trustor shall immediately pay any sums advanced or paid by Beneficiary or Trustee under any provision of this Deed of Trust or the other Loan Documents. Until so repaid, all such sums and all other sums payable to Beneficiary or Trustee shall be added to, and become a part of, the Secured Obligations secured by this Deed of Trust and bear interest from the date of advancement or payment by Beneficiary or Trustee at the Default Rate as provided in the Note. All sums advanced by Beneficiary under this Deed of Trust or the other Loan Documents, whether or not required to be advanced by Beneficiary under the terms of this Deed of Trust or the other Loan Documents, shall conclusively be deemed to be mandatory advances required to preserve and protect this Deed of Trust and Beneficiary's security for the performance of the Secured Obligations shall be secured by this Deed of Trust to the same extent and with the same priority as the principal and interest payable under the Note. This Deed of Trust is governed by NRS 106.300 to 106.400, and secures future advances as provided in the Loan Documents. The maximum amount of principal (as defined in NRS Section 106.345, as now or hereafter in effect), secured hereby (including disbursements that the Beneficiary may, but shall not be obligated to, make under the Golf Course Deed of Trust and/or any of the other Loan Documents shall not exceed Twenty-Seven Million Dollars (\$27,000,000.00). This Deed of Trust shall be valid and have priority to the extent of the maximum amount secured hereby over all subsequent liens and encumbrances, including statutory liens (except for those tax and assessment liens levied on the Real Property which are given priority by law).

53. Authorized Agents. In exercising any right or remedy or taking any action provided in this Deed of Trust, Beneficiary may act through its employees, agents or independent contractors, as Beneficiary expressly authorizes.

54. Contest. Trustor shall have the right to protest by proper proceeding any claim, encumbrance, demand, levy, tax, assessment, law, ordinance, rule, regulation or requirement asserted by a third party against the Property, provided that, and only for so long as, Trustor shall give prior written notice of such contest to Beneficiary and prosecute such contest diligently and in good faith, and such contest shall operate to prevent the collection or other realization of the contested matter and the sale or forfeiture of the Property or any part thereof to satisfy the same, and such contest shall not expose Beneficiary or Trustee to any civil or criminal penalty or liability or any impairment of the security of Beneficiary. Upon Beneficiary's or Trustee's demand, Trustor shall furnish Beneficiary with a surety bond or other adequate security satisfactory to Beneficiary and sufficient both to indemnify Beneficiary against the liability and hold the Property free from adverse effect in the event the contest is not successful.

55. Specific Performance. At any time, Beneficiary may commence and maintain an action in any court of competent jurisdiction for specific performance of any of the covenants and agreements contained herein, and may obtain the aid and direction of the court in the performance of any of the covenants and agreements contained herein, and may obtain orders or decrees directing the execution of the same and, in case of any sale hereunder, directing, confirming or approving its or Trustee's acts and granting it such relief as may be warranted in the circumstances.

56. Usury Savings INTENTIONALLY DELETED

57. Lot Line Adjustment. Trustor and Beneficiary acknowledge and agree that the Land described on Exhibit "A" hereto and encumbered by this Deed of Trust is in the process of being established as a separate legal parcel by a boundary line adjustment ("BLA"), and that as a result of such BLA, the legal description attached hereto as Exhibit "A" may need to be modified to reflect the technical requirements of the BLA. In connection with the foregoing and as part of the construction and development of the entire Master Project, Trustor has informed Beneficiary that the BLA or lot line adjustment ("Lot Line Adjustment"), may be required to modify the legal description of the Land, in order to establish the Land that shall comprise the Fly Fishing Ranch Facility only ("Fly Fishing Ranch Land"), as a separate legal parcel. Trustor has further informed Beneficiary that no modifications shall be required to this Deed of Trust to reflect the modifications in the legal description of the Land caused by the Lot Line Adjustment, and the Land encumbered by this Deed of Trust will remain the same. Subject to the terms and conditions set forth in this Section 57, Trustor and Beneficiary acknowledge and agree that in no event shall Trustor cause a Lot Line Adjustment (other than the BLA) to occur without the prior written consent of Beneficiary ("Beneficiary LLA Consent"), which consent shall not be unreasonably withheld or delayed so long as:

(a) The Lot Line Adjustment and modifications to the legal description of the Land to distinguish the parcels to comprise the Fly Fishing Ranch Land shall have previously been submitted to and approved by Beneficiary.

(b) The Lot Line Adjustment must not result in any loss of access to and from the Fly Fishing Ranch Land or in the loss of or the disruption in the use of any other necessary easements or utility services provided to the Fly Fishing Ranch Land and shall otherwise be approved by Beneficiary.

(c) The Lot Line Adjustment shall not affect any of Trustor's obligations under this Deed of Trust and/or any of Borrower's obligations under the Loan and the Loan Documents.

(d) In the event Beneficiary determines that the Lot Line Adjustment shall require an amendment be made to this Deed of Trust to reflect such modifications to the legal description of the Land, Trustor shall have executed, acknowledged and delivered to Beneficiary, an amendment to this Deed of Trust for recordation in the Official Records of Douglas County, Nevada ("Deed of Trust Modification").

(e) In the event a Deed of Trust Modification is required, the title insurance company insuring the priority of the lien of this Deed of Trust shall, at Trustor's sole cost and expense, issue to Beneficiary: (1) a CLTA Endorsement to Beneficiary's title insurance policy insuring that the Lot Line Adjustment and Deed of Trust Modification will not affect the priority of this Deed of trust; and (2) any other endorsements reasonably requested by Beneficiary, all of which shall be in form and substance reasonably satisfactory to Beneficiary.

(f) There shall be no uncured event of default by Trustor under this Deed of Trust.

(g) There shall be no uncured Event of Default by Borrower under the Loan and Loan Documents, which default has not been cured within any applicable notice and cure periods pursuant to the Loan Documents.

(h) Trustor shall have delivered to Beneficiary all other documents, agreements, instruments and other items reasonably required in connection with the issuance of the Beneficiary LLA Consent.

(i) Trustor shall have reimbursed Beneficiary for all costs, fees and expenses, including legal fees, incurred by Beneficiary in connection with processing the Beneficiary LLA Consent.

Notwithstanding anything to the contrary set forth above, in no event shall Trustor be required to obtain Beneficiary's prior written consent to the BLA if the legal description for the Fly Fishing

Ranch Land resulting from such BLA will be and is the same as the legal description set forth on Exhibit "A" attached hereto.

58. Beneficiary's Consent. All documents, agreements, instruments and other matters required to be provided or submitted to Beneficiary pursuant to the terms and conditions of this Deed of Trust and/or the other Loan Documents shall be in form and substance satisfactory to Beneficiary, in Beneficiary's sole and absolute discretion. Without limiting the foregoing, all matters subject to Beneficiary's review and consent or approval pursuant to this Deed of Trust and/or the other Loan Documents, shall be reviewed and approved or disapproved by Beneficiary in its sole and absolute discretion, unless otherwise expressly provided to the contrary in this Deed of Trust and/or any of the other Loan Documents. Notwithstanding the foregoing, whenever Beneficiary's review and consent or approval are required pursuant to this Deed of Trust and/or any of the other Loan Documents, and this Deed of Trust and/or such other Loan Documents provide that Beneficiary's consent and approval shall not be unreasonably withheld, the term "not unreasonably withheld" (or any such similar phrase), shall mean Beneficiary shall use reasonable business judgment in making such determination.

59. Lent Collateral/Guarantee Arrangement.

(a) Rights of Lender. Trustor authorizes Beneficiary, without giving notice to Trustor or obtaining Trustor's consent and without affecting the liability of Trustor, from time to time, to: (i) renew or extend all or any portion of Borrower's obligations under the Note or any of the other Loan Documents; (ii) declare all sums owing to Beneficiary under the Note and the other Loan Documents due and payable upon the occurrence of a default as defined in the Note or in the other Loan Documents; (iii) make changes in the dates specified for payments of any sums payable in periodic installments under the Note or any of the other Loan Documents; (iv) otherwise modify, amend, supplement or replace from time to time the terms of any of the Loan Documents or advancement of the Maturity Date of the Note where no default has occurred under the Loan Documents; (v) take and hold security for the performance of Borrower's obligations under the Note or the other Loan Documents and exchange, enforce, waive and release any such security; (vi) apply such security and direct the order or manner of sale thereof as Beneficiary, in its discretion, may determine; (vii) release, substitute or add any one or more endorsers of the Note or Guarantors or any other guarantors of Borrower's obligations under the Note and the other Loan Documents; (viii) apply payments received by Beneficiary from Borrower to any obligations of Borrower to Beneficiary, in such order as Beneficiary shall determine in its sole discretion, whether or not any such obligations are covered by this Deed of Trust; and (ix) assign this Deed of Trust in whole or in part.

(b) Trustor's Waivers. Trustor waives, to the maximum extent permitted by law: (i) any defense based upon any legal disability or other defense of Borrower, Guarantors or any other guarantor or other Person, or by reason of the cessation or limitation of the liability of Borrower from any cause other than full payment of all sums payable under the Note or any of the other Loan Documents; (ii) any defense based upon any lack of authority of the officers, directors, members, shareholders, affiliates, partners or agents acting or purporting to act on behalf of Borrower or any principal of Borrower or any defect in the formation of Borrower or any principal of Borrower; (iii) any defense based upon the application by Borrower of the proceeds of the Loan for purposes other than the purposes represented by Borrower to Beneficiary or intended or understood by Beneficiary or Trustor; (iv) all rights and defenses arising out of any election of remedies by Beneficiary, even though that such election of remedies, such as a nonjudicial foreclosure with respect to security for the guaranteed obligation, has destroyed Trustor's rights of subrogation, reimbursement, indemnification and contribution against Borrower by the operation of the laws of the State of Nevada or otherwise, and any and all benefits or other rights and defenses available to sureties and creditors that are or may become available to Trustor under Nevada law; (v) any defense based upon Beneficiary's failure to disclose to Trustor any information concerning Borrower's financial condition or any other circumstances bearing on Borrower's ability to pay all sums payable under the Note or any of the other Loan Documents; (vi) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal; (vii) any defense based upon Beneficiary's election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the

Federal Bankruptcy Code or any successor statute; (viii) any defense based upon any borrowing or any grant of a security interest under Section 364 of the Federal Bankruptcy Code; (ix) presentment, demand, protest and notice of any kind; (x) the benefit of any statute of limitations affecting the liability of Trustor hereunder or the enforcement hereof; and (xi) any rights under the laws of the State of Nevada which provide, among other things, that (1) a creditor must file a complaint for deficiency within such time period as stated in such laws of a nonjudicial foreclosure sale or judicial foreclosure sale, as applicable; (2) a fair market value hearing must be held; and (3) the amount of the deficiency judgment shall be limited to the amount by which the unpaid debt exceeds the fair market value of the security, but not more than the amount by which the unpaid debt exceeds the sale price of the security. In addition, Trustor waives all rights and defenses that Trustor may have because Borrower's debt is secured by real property including, without limitation, the benefits of the one-action rule under NRS Section 40.430, and, to the extent permitted by NRS Section 104.3605, discharge under NRS 104.3605(9). This means, among other things: (4) Beneficiary may collect from Trustor without first foreclosing on any real or personal property collateral pledged by Borrower; and (5) if Beneficiary forecloses on any real property collateral pledged by Borrower, then the amount of the debt may be reduced only by the price for which the collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and Beneficiary may collect from Trustor even if Beneficiary, by foreclosing on the real property collateral, has destroyed any right Trustor may have to collect from Borrower. The foregoing sentence is an unconditional and irrevocable waiver of any rights and defenses Trustor may have because Borrower's debt is secured by real property. Finally, Trustor agrees that the payment of all sums payable under the Note or any of the other Loan Documents or any part thereof or other act which tolls any statute of limitations applicable to the Note or the other Loan Documents shall similarly operate to toll the statute of limitations applicable to Trustor's liability hereunder.

60. WAIVER OF JURY TRIAL. FOR AND IN CONSIDERATION OF THE THIRD LOAN AMENDMENT AND BENEFICIARY'S CONTINUED FORBEARANCE (AS SUCH TERM IS DEFINED IN THE THIRD LOAN AMENDMENT), TRUSTOR, BEING EXPERIENCED IN SOPHISTICATED REAL ESTATE VENTURES, AND HAVING CONSULTED WITH COUNSEL OF ITS CHOOSING, HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY ACTION OR PROCEEDING: (1) BROUGHT BY TRUSTOR, BENEFICIARY OR ANY OTHER PERSONS RELATING TO: (A) THE LOAN; OR (B) THE LOAN DOCUMENTS; OR (2) TO WHICH BENEFICIARY IS A PARTY. TRUSTOR HEREBY AGREES THAT THIS DEED OF TRUST CONSTITUTES A WRITTEN CONSENT TO WAIVER OF TRIAL BY JURY, AND TRUSTOR DOES HEREBY CONSTITUTE AND APPOINT BENEFICIARY ITS TRUE AND LAWFUL ATTORNEY IN FACT, WHICH APPOINTMENT IS IRREVOCABLE AND COUPLED WITH AN INTEREST FOR THE PURPOSE THEREOF, AND TRUSTOR DOES HEREBY AUTHORIZE AND EMPOWER BENEFICIARY, IN THE NAME, PLACE, AND STEAD OF TRUSTOR, TO FILE THIS DEED OF TRUST WITH THE CLERK OR JUDGE OF ANY COURT OF COMPETENT JURISDICTION AS A WRITTEN CONSENT TO WAIVER OF TRIAL BY JURY. TRUSTOR ACKNOWLEDGES THAT ITS WAIVER OF TRIAL BY JURY HAS BEEN MADE KNOWINGLY, INTENTIONALLY AND WILLINGLY BY TRUSTOR AS PART OF A BARGAINED FOR LOAN TRANSACTION. TRUSTOR WILL NOT SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS DEED OF TRUST.

61. Counterparts. This Deed of Trust may be executed in counterparts and each such counterpart shall be deemed an original, and all such counterparts together shall constitute one and the same agreement.

62. Entire Agreement. This Deed of Trust, including any schedules or exhibits hereto and the other Loan Documents, including any schedules or exhibits thereto, constitute the entire agreement between Trustor and Beneficiary with respect to the subject matter contained herein. This Deed of Trust supersedes all previous representations, arrangements, agreements and understandings, whether written or oral, relating to the subject matter hereof by and between Trustor and Beneficiary.

[the remainder of this page is intentionally left blank – signature page to follow]

IN WITNESS WHEREOF, this Deed of Trust has been duly executed, acknowledged and delivered by Trustor as of the day and year set forth in the Acknowledgment below.

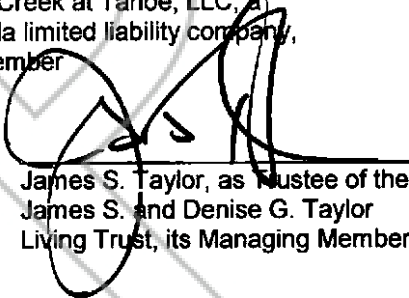
TRUSTOR PLEASE NOTE: UPON THE OCCURRENCE OF A DEFAULT, NEVADA PROCEDURE PERMITS THE TRUSTEE TO SELL THE PROPERTY AT A SALE HELD WITHOUT SUPERVISION BY ANY COURT AFTER EXPIRATION OF A PERIOD PRESCRIBED BY LAW. UNLESS YOU PROVIDE AN ADDRESS FOR THE GIVING OF NOTICE, YOU MAY NOT BE ENTITLED TO OR MAY NOT RECEIVE ON A TIMELY BASIS, IF AT ALL, NOTICE OF THE COMMENCEMENT OF SALE PROCEEDINGS. BY EXECUTION OF THIS DEED OF TRUST, YOU CONSENT TO SUCH PROCEDURE. BENEFICIARY URGES YOU TO GIVE PROMPT NOTICE OF ANY CHANGE IN YOUR ADDRESS SO THAT YOU MAY RECEIVE PROMPTLY ANY NOTICE GIVEN PURSUANT TO THIS DEED OF TRUST.

TRUSTOR:

CLEAR CREEK RANCH II, LLC, a
a Nevada limited liability company

BY: Clear Creek at Tahoe, LLC, a
Nevada limited liability company,
its Member

By:


James S. Taylor, as Trustee of the
James S. and Denise G. Taylor
Living Trust, its Managing Member

ACKNOWLEDGMENT

STATE OF Nevada)
) ss.
COUNTY OF Douglas)

On ~~August~~ ^{September} 7, 2010, before me, Mary L. Foster, Notary Public, personally appeared James S. Taylor Trustee, who 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 entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Nevada that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Mary L. Foster
SIGNATURE OF NOTARY

[Seal]

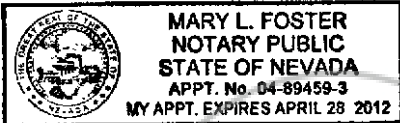


EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND
(FLY FISHING RANCH REAL PROPERTY)

(SEE ATTACHED)



EXHIBIT "A"

LEGAL DESCRIPTION FOR FFR PARCEL

All that certain real property being a part of Sections 24, 25, and 26 of Township 10 North, Range 22 East, M.D.M. and Sections 19, 20, and 30 of Township 10 North, Range 23 East, M.D.M., County of Douglas, State of Nevada, being more particularly described as follows:

COMMENCING at the Southeast corner of Section 13 Township 10 North, Range 22 East, M.D.M.;

THENCE S84°18'07"E, 1201.23 feet to the TRUE POINT OF BEGINNING;

- 1) THENCE S00°00'08"W, 2580.59 feet;
- 2) THENCE S88°03'25"E, 3971.00 feet;
- 3) THENCE S89°57'25"E, 2595.42 feet;
- 4) THENCE S01°50'49"E, 3150.15 feet;
- 5) THENCE S80°01'37"W, 2695.10 feet;
- 6) THENCE S00°09'38"E, 4540.44 feet;
- 7) THENCE N83°23'57"W, 6621.78 feet;
- 8) THENCE N00°25'59"E, 1327.67 feet;
- 9) THENCE N89°47'03"W, 1314.60 feet;
- 10) THENCE S00°01'49"W, 923.28 feet;
- 11) THENCE N82°54'41"W, 811.57 feet;
- 12) THENCE N09°42'09" W, 459.27 feet;
- 13) THENCE S69°22'58"W, 4419.69 feet;
- 14) THENCE N89°50'31"W, 2838.63 feet;
- 15) THENCE N01°34'52"W, 3287.68 feet;
- 16) THENCE S89°59'13" E, 1326.88 feet;

- 17) **THENCE** N80°21'35"E, 1822.36 feet to the southern boundary of an existing agricultural field;
- 18) **THENCE** S79°50'23"E, 4071.10 feet along the southern boundary of said agricultural field to the eastern boundary of said agricultural field;
- 19) **THENCE** N22°45'06"E, 1443.67 feet along the eastern boundary of said agricultural field to the northern boundary of said agricultural field;
- 20) **THENCE** N80°00'28"W, 981.08 feet along the northern boundary of said agricultural field to the centerline of Walker River Road;
- 21) **THENCE** N19°50'45" E, 1593.10 feet along the centerline of Walker River Road;
- 22) **THENCE** N38°33'20"E, 715.56 feet along the centerline of Walker River Road;
- 23) **THENCE** N41°02'42"E, 1647.35 feet along the centerline of Walker River Road;
- 24) **THENCE** N60°35'22"E, 1221.84 feet along the centerline of Walker River Road;
- 25) **THENCE** N53°01'32"E, 1968.03 feet along the centerline of Walker River Road;

THENCE N51°10'05"E, 487.33 feet to the **TRUE POINT OF BEGINNING**;

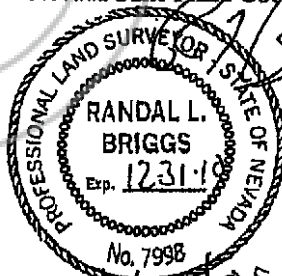
CONTAINING 2033.23 acres more or less,

See Exhibit "B" attached hereto, and made a part hereof.

The basis of bearings for the legal description is Nevada State Plane Coordinate System NAD 83/94.

This Legal Description Written by:

Randal L. Briggs, PLS
TEC Engineering Consultants
9480 Double Diamond Parkway Suite #200
Reno, Nevada 89521



TEC CIVIL ENGINEERING CONSULTANTS

EXHIBIT B

LEGAL DESCRIPTION

FARMERD RANCHO DOUGLAS CO. NEVADA

DRAWN BY: JDF DATE: 12/22/08 SCALE: 1"=500'

LINE TABLE

LINE	DESCRIPTION	BEARING	DISTANCE
L1	POINT TO	S 87° 07' 11" W	1.00
L2	POINT TO	S 89° 07' 28" W	1.00
L3	POINT TO	S 89° 07' 28" W	1.00
L4	POINT TO	S 89° 07' 28" W	1.00
L5	POINT TO	S 89° 07' 28" W	1.00
L6	POINT TO	S 89° 07' 28" W	1.00
L7	POINT TO	S 89° 07' 28" W	1.00
L8	POINT TO	S 89° 07' 28" W	1.00
L9	POINT TO	S 89° 07' 28" W	1.00
L10	POINT TO	S 89° 07' 28" W	1.00
L11	POINT TO	S 89° 07' 28" W	1.00
L12	POINT TO	S 89° 07' 28" W	1.00
L13	POINT TO	S 89° 07' 28" W	1.00
L14	POINT TO	S 89° 07' 28" W	1.00
L15	POINT TO	S 89° 07' 28" W	1.00
L16	POINT TO	S 89° 07' 28" W	1.00
L17	POINT TO	S 89° 07' 28" W	1.00
L18	POINT TO	S 89° 07' 28" W	1.00
L19	POINT TO	S 89° 07' 28" W	1.00
L20	POINT TO	S 89° 07' 28" W	1.00
L21	POINT TO	S 89° 07' 28" W	1.00
L22	POINT TO	S 89° 07' 28" W	1.00
L23	POINT TO	S 89° 07' 28" W	1.00
L24	POINT TO	S 89° 07' 28" W	1.00
L25	POINT TO	S 89° 07' 28" W	1.00
L26	POINT TO	S 89° 07' 28" W	1.00
L27	POINT TO	S 89° 07' 28" W	1.00
L28	POINT TO	S 89° 07' 28" W	1.00
L29	POINT TO	S 89° 07' 28" W	1.00
L30	POINT TO	S 89° 07' 28" W	1.00
L31	POINT TO	S 89° 07' 28" W	1.00
L32	POINT TO	S 89° 07' 28" W	1.00
L33	POINT TO	S 89° 07' 28" W	1.00
L34	POINT TO	S 89° 07' 28" W	1.00
L35	POINT TO	S 89° 07' 28" W	1.00
L36	POINT TO	S 89° 07' 28" W	1.00
L37	POINT TO	S 89° 07' 28" W	1.00
L38	POINT TO	S 89° 07' 28" W	1.00
L39	POINT TO	S 89° 07' 28" W	1.00
L40	POINT TO	S 89° 07' 28" W	1.00
L41	POINT TO	S 89° 07' 28" W	1.00
L42	POINT TO	S 89° 07' 28" W	1.00
L43	POINT TO	S 89° 07' 28" W	1.00
L44	POINT TO	S 89° 07' 28" W	1.00
L45	POINT TO	S 89° 07' 28" W	1.00
L46	POINT TO	S 89° 07' 28" W	1.00
L47	POINT TO	S 89° 07' 28" W	1.00
L48	POINT TO	S 89° 07' 28" W	1.00
L49	POINT TO	S 89° 07' 28" W	1.00
L50	POINT TO	S 89° 07' 28" W	1.00
L51	POINT TO	S 89° 07' 28" W	1.00
L52	POINT TO	S 89° 07' 28" W	1.00
L53	POINT TO	S 89° 07' 28" W	1.00
L54	POINT TO	S 89° 07' 28" W	1.00
L55	POINT TO	S 89° 07' 28" W	1.00
L56	POINT TO	S 89° 07' 28" W	1.00
L57	POINT TO	S 89° 07' 28" W	1.00
L58	POINT TO	S 89° 07' 28" W	1.00
L59	POINT TO	S 89° 07' 28" W	1.00
L60	POINT TO	S 89° 07' 28" W	1.00
L61	POINT TO	S 89° 07' 28" W	1.00
L62	POINT TO	S 89° 07' 28" W	1.00
L63	POINT TO	S 89° 07' 28" W	1.00
L64	POINT TO	S 89° 07' 28" W	1.00
L65	POINT TO	S 89° 07' 28" W	1.00
L66	POINT TO	S 89° 07' 28" W	1.00
L67	POINT TO	S 89° 07' 28" W	1.00
L68	POINT TO	S 89° 07' 28" W	1.00
L69	POINT TO	S 89° 07' 28" W	1.00
L70	POINT TO	S 89° 07' 28" W	1.00
L71	POINT TO	S 89° 07' 28" W	1.00
L72	POINT TO	S 89° 07' 28" W	1.00
L73	POINT TO	S 89° 07' 28" W	1.00
L74	POINT TO	S 89° 07' 28" W	1.00
L75	POINT TO	S 89° 07' 28" W	1.00
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L78	POINT TO	S 89° 07' 28" W	1.00
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L82	POINT TO	S 89° 07' 28" W	1.00
L83	POINT TO	S 89° 07' 28" W	1.00
L84	POINT TO	S 89° 07' 28" W	1.00
L85	POINT TO	S 89° 07' 28" W	1.00
L86	POINT TO	S 89° 07' 28" W	1.00
L87	POINT TO	S 89° 07' 28" W	1.00
L88	POINT TO	S 89° 07' 28" W	1.00
L89	POINT TO	S 89° 07' 28" W	1.00
L90	POINT TO	S 89° 07' 28" W	1.00
L91	POINT TO	S 89° 07' 28" W	1.00
L92	POINT TO	S 89° 07' 28" W	1.00
L93	POINT TO	S 89° 07' 28" W	1.00
L94	POINT TO	S 89° 07' 28" W	1.00
L95	POINT TO	S 89° 07' 28" W	1.00
L96	POINT TO	S 89° 07' 28" W	1.00
L97	POINT TO	S 89° 07' 28" W	1.00
L98	POINT TO	S 89° 07' 28" W	1.00
L99	POINT TO	S 89° 07' 28" W	1.00
L100	POINT TO	S 89° 07' 28" W	1.00

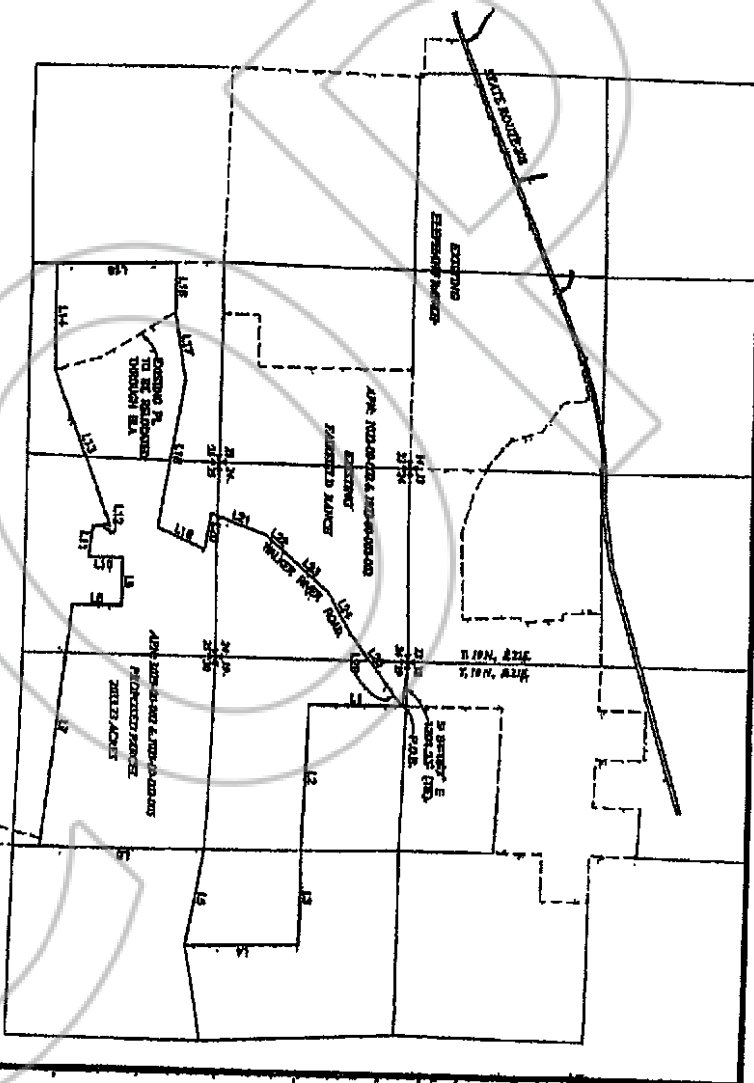
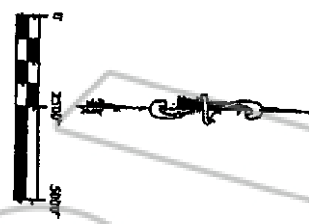


Exhibit "B"

PARCEL 2:

TOWNSHIP 10 NORTH, RANGE 23 EAST, M.D.B.&M.

Section 17: Southeast ¼ of the Northeast ¼; Fractional East ½ of the Southeast ¼ lying above the 5010 foot contour line of Hoya Canyon Reservoir.

APN: 1023-17-000-013

PARCEL 3:

Section 31: Township 10 North, Range 23 East, M.D.B. & M.; Fractional East ½ of West ½ of Southeast ¼ lying East of a traverse Line "A" hereinafter described; Fractional East ½ lying East of traverse Line "A" hereinafter described.

APN: 1023-00-002-005

Traverse Line "A" above referred to is described as follows:

TOWNSHIP 10 NORTH, RANGE 23 EAST, M.D.B.&M.

Commencing at a point which lies South 14°4' West 714.3 feet from the West quarter corner of Section 19, Township 9 North, Range 23 East, M.D.B.&M., thence along the fence known as the East fence of the Lancaster Field North 5°20' East 15,333.0 feet; thence West 208.0 feet; thence North 0°22' West 4,294.0 feet, thence the Northeast corner of Section 1, Township 9 North, Range 22 East, M.D.B.&M., bears South 87°22' West 1,216.0 feet; thence South 88°5' East 2,000 feet; thence North 88°44' East 604.0 feet; thence North 2°58' West 1,125.5 feet; thence North 14°40' East 4,898 feet to the end of traverse "A" being a point in the Southeast ¼ of the Southeast ¼ of Section 30, Township 10 North, Range 23 East, M.D.B.&M., which is the beginning point of traverse "B" above mentioned; said point lies North 14°40' East 822 feet from an intersection with the South boundary of Section 30 at a point North 88°30' West 417 feet from the Southeast corner of Section 30, Township 10 North, Range 23 East, M.D.B.&M.

EXCEPTING THEREFROM that portion described in the Final Order of Condemnation filed in the First Judicial District Court of the State of Nevada, in and for the County of Douglas on July 22, 1965, as Case No. 2251, recorded July 22, 1965 in Book 33, Page 85.

Traverse Line "B" above referenced to is described as follows:

TOWNSHIP 10 NORTH, RANGE 23 EAST, M.D.B.&M.

Beginning at the said last mentioned point at the end of traverse "A", thence North 82°56' West 9,062.0 feet, ending across Walker River near the end of Topaz Lake outlet canal and 100 feet South of the Center line thereof, thence North 450 feet, thence South 56°7' West 566 feet; thence South 65°21' West 2,879.3 feet, thence South 81°55' West 611.3 feet; thence North 86°47' West 5,991.0 feet.

DOC. NO. 711223 IS PROVIDED PER NRS 111.312.

EXHIBIT "B"

INSURANCE COVERAGE REQUIREMENTS

1. All-Risk Extended Coverage. Insurance against loss or damage by fire, lightning, hurricane tornado and wind damage, vandalism and malicious mischief, and against such other hazards as are presently included in so-called "all risk extended coverage" and against other such insurable hazards as, under good insurance practices, from time to time are insured against for the properties of similar character and location; the amount of the foregoing insurance shall be equal to the full replacement value of all Improvements and Personal Property and with an inflation adjustment endorsement and shall have a deductible of not more than Fifty Thousand Dollars (\$50,000.00);

2. Public Liability Comprehensive public liability insurance including, without limitation, coverage against claims for personal injury, bodily injury, death or property damage occurring on, in or about the Real Property and the adjoining streets, sidewalks and passageways, in amounts not less than One Million Dollars (\$1,000,000.00) per person and Two Million Dollars (\$2,000,000.00) per occurrence and shall have a deductible of not more than Fifty Thousand Dollars (\$50,000.00);

3. Worker's Compensation. During the course of any construction or repair: (A) workers' compensation insurance (including employer's liability insurance) for all persons engaged on or with respect to the Property in such amounts as are satisfactory to Beneficiary or, if such limits are established by law, in such amounts; (B) builder's completed value risk insurance against "all risks of physical loss" during construction, covering the total value of work performed and equipment, supplies and materials furnished; and (C) any other insurance coverage required by Beneficiary, in an amount equal to or greater than the lesser of (A) the principal balance of the Note, or (B) the maximum limit of coverage available for the Property under the National Flood Insurance Reform Act of 1994, as each may be added;

4. Business Interruption. Business interruption insurance and loss of rental value insurance in an amount not less than one hundred percent (100%) of twelve (12) months' average gross income for the Property;

5. Flood. If at any time any Improvement is in an area identified by the Department of Housing and Urban Development (or by any other rule, ordinance, statute, or law of the county in which the Real Property is located or by the State of Nevada), as an area having special flood hazards, flood insurance (without extended coverage), in an amount equal to or greater than the lesser of: (A) the principal balance of the Note; or (B) the maximum limit of coverage available for the Property under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994;

6. Boiler and Machinery. Boiler and machinery insurance covering air tanks, boilers, machinery, pressure piping, heating, air conditioning and elevator equipment and escalator equipment, if the Improvements contain equipment of such nature, and insurance against loss of occupancy or use arising from any such breakdown, in such amounts and with a deductible as approved by Beneficiary;

7. Intentionally Deleted.

8. Earthquake. Earthquake insurance in such amounts and with a deductible as approved by Beneficiary. In the event the Land or any portion thereof is or becomes located in a zone designated by any Governmental Authority or insurance board as an area of heightened seismic risk, earthquake insurance in such amounts and with a deductible as approved by Beneficiary;

9. Excess Liability. Excess liability umbrella insurance with a limit of not less than Five Million Dollars (\$5,000,000.00) over primary insurance per occurrence;

10. Builder's Risk. During the period in which any construction activities are ongoing, builder's risk insurance in form, content and amount reasonably acceptable to Beneficiary; and all such other construction insurance required by Beneficiary including, without limitation, the construction insurance requirements set forth on Exhibit "A" to the Loan Agreement; and

11. Other Insurance. Such other insurance, in such form and such amounts, as may from time to time be required by Beneficiary.

