

APNs: 1418-00-002-003  
1418-27-210-001  
1418-00-002-004



**WHEN RECORDED MAIL TO:**

West Orient Investments, Inc.  
212 South Palm Avenue  
Suite 200  
Alhambra, California 91801

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

1035145-2

**DEED OF TRUST WITH ASSIGNMENT OF RENTS**

This Deed of Trust with Assignment of Rents ("Deed of Trust"), is made this 20th day of January, 2011, by Essam Khashoggi, Trustee of the ELK Trust (u/d/t 12/23/86), as trustor and assignor ("Trustor"), whose address is: 1494 Highway 50, Glenbrook, Nevada 89413, Stewart Title of Nevada Holdings, Inc., a Nevada corporation ("Trustee"), for the benefit of West Orient Investments, Inc., a California corporation, as beneficiary and assignee ("Beneficiary"), whose address is: 212 South Palm Avenue, Suite 200, Alhambra, California 91801.

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, all that certain real property located in Douglas County, Nevada, which is more particularly described in **Exhibit "A"** attached hereto and incorporated herein ("the Land"), together with all right, title and interest of Trustor in all buildings and improvements now located or hereafter to be constructed thereon (collectively "Improvements"), the Appurtenant Rights and Easements and the Proceeds of the Land, Improvements and Appurtenant Rights and Easements, all as more particularly described below:

"Appurtenant Rights and Easements" are any and all interests, claims or rights which Trustor may hereafter acquire in the Land and Improvements and all right, title and interest of Trustor in the appurtenances, hereditaments, privileges, reversions, remainders, profits, easements, franchises and tenements thereof, including all minerals, oil, gas and other

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hydrocarbon substances thereon or therein, air rights, waters and water rights and any land lying in the streets, roads or avenues, open or proposed, in front of or adjoining the Land and Improvements (herein "Appurtenant Rights and Easements");

"Proceeds" are all of Trustor's right, title and interest now held or hereafter acquired, to all proceeds (including claims or demands thereto) from the conversion, voluntary or involuntary, of any of the Land, Improvements or Appurtenant Rights and Easements 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 and all causes of action and the proceeds thereof of all types for any damage or injury to the Land, Improvements or Appurtenant Rights and Easements 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 and all proceeds from the sale thereof (herein collectively "Proceeds").

In addition to the foregoing, Trustor absolutely and irrevocably assigns to Beneficiary all right, title and interest of Trustor in and to (i) all leases, rental agreements and other contracts and agreements relating to use and possession of any of the Land or Improvements or Appurtenant Rights and Easements ("collectively "Leases") and (ii) the rents, issues, profits and proceeds therefrom together with all guarantees thereof and all deposits (to the full extent permitted by law) and other security therefor (collectively "Rents"). (The Land, Improvements, Appurtenant Rights and Easements, Proceeds, Leases, Rents and all other rights, titles and interests of Trustor described above are hereinafter collectively referred to as "the Property".)

The Land, Improvements, Appurtenant Rights and Easements, Proceeds, Leases, Rents, and all other rights, titles and interests of Trustor described above are hereinafter collectively referred to as "the Property".

This Deed of Trust is subject and subordinate to that certain Deed of Trust with Assignment of Rents dated November 15, 2003 ("Original Deed of Trust") wherein Trustor is the trustor and Dynamic Finance Corporation, a California corporation, is the beneficiary, which Deed of Trust was recorded on November 17, 2003, in the office of the County Recorder of Douglas County, Nevada, as document no. 596974, official records, as amended by a First Amendment to Deed of Trust with Assignment of Rents dated October 27, 2008 and recorded on November 18, 2008, as document no. 733236 of said official records, as amended by a Second Amendment to Deed of Trust with Assignment of Rents dated March 12, 2010 and recorded on March 27, 2010 as document no. 762672 of said official records and as further amended by a Third Amendment to Deed of Trust with Assignment of Rents of even date herewith.



2. Obligations Secured. Trustor makes this Deed of Trust for the purposes of securing:

(a) Payment of all indebtedness and other obligations evidenced by that certain promissory note of even date herewith (the "Note"), made by Trustor payable to the order of Beneficiary in the principal sum of Fifty-Six Thousand and no/100<sup>ths</sup> Dollars (\$56,000.00), together with all extensions, renewals and modifications thereof (collectively the "Note");

(b) Payment and performance of all obligations of Trustor under this Deed of Trust, including payment of all sums expended or advanced by Beneficiary hereunder, together with interest thereon at the rate specified herein or if no rate is specified, at the highest interest rate then payable under the Note (herein the "Note Rate"), in the preservation, enforcement and realization of the rights of Beneficiary hereunder or under any of the other obligations secured hereby, including, but not limited to, attorney's fees, court costs, other litigation expenses and foreclosure expenses;

(c) Payment and performance of the obligations of Trustor or any of them, under any and all other instruments, agreements or other documents executed in connection with the Loan;

(d) Payment of all future advances and the payment and performance of all other obligations that the then record owner of all or part of the Property may agree to pay or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when such obligation is evidenced by a writing which states that it is secured by this Deed of Trust;

(e) Payment and performance of all modifications, extensions and renewals (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) modifications, extensions or renewals at a different rate of interest whether or not, in the case of a note or other contract, the modification, extension or renewal is evidenced by a new or additional promissory note or other contract; and

(f) Performance of each and every obligation of Trustor as lessor or lessee under any and all leases executed in connection with the Property.

The Note and other obligations now or hereafter secured by this Deed of Trust including, but not limited to, the obligations of Trustor set forth herein, 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 any and all other instruments or documents made or entered into in



connection herewith (collectively "Documents" or "Loan Documents") and each of the Secured Obligations.

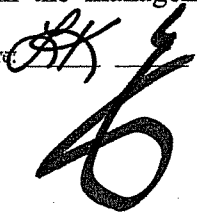
3. Assignment of Leases and Rents. Trustor does hereby sell, assign and transfer unto Beneficiary all of the leases, rents, income and profits now due and which may hereafter become due under or by virtue of any lease, whether written or oral or any agreement for the use or occupancy of the Property, it being the intention of Trustor and Beneficiary to establish an absolute transfer and assignment of all such leases and agreements and all of the rents and profits from the Property unto the Beneficiary and the Trustor does hereby appoint irrevocably the Beneficiary its true and lawful attorney in its name and stead, which appointment is coupled with an interest, to collect all of said rents and profits; provided, Beneficiary grants to Trustor the revocable privilege to collect and retain such rents, income and profits unless and until an Event of Default (as hereinafter defined) exists under this Deed of Trust.

(a) Upon the occurrence of an Event of Default and whether before or after the institution of proceedings to foreclose the lien hereof or before or after sale of the Property and without regard to waste, adequacy of the security or solvency of the Trustor, the Beneficiary may revoke the privilege granted Trustor hereunder to collect the rents, issues and profits of the Property and may, at its option, without notice:

(i) In person or by agent, with or without taking possession of or entering the Property, with or without bringing any action or proceeding, give or require Trustor to give, notice to any or all tenants under any lease authorizing and directing the tenant to pay such rents and profits to Beneficiary; collect all of the rents, issues and profits; enforce the payment thereof and exercise all of the rights of the landlord under any lease and all of the rights of Beneficiary hereunder; may enter upon, take possession of, manage and operate said Property or any part thereof; may cancel, enforce or modify any leases and fix or modify rents and do any acts which the Beneficiary deems proper to protect the security hereof with or without taking possession of the Property; or

(ii) Apply for the appointment of a receiver in accordance with the provisions of this Deed of Trust and Nevada law, which receivership Trustor hereby consents to, who shall collect the rents, profits and all other income of any kind; manage the Property so as to prevent waste; and execute leases which may expire within or after the period of receivership.

(b) Neither the assignment of the 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 Property or cause Beneficiary to be (a) a "mortgagee in possession" for any purpose, (b) responsible for performing any of the obligations of the lessor under any Lease or (c) responsible or liable for any waste by any lessees or any other parties, for any dangerous or defective condition of the Property, for any negligence in the management,

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upkeep, repair or control of the Property or for any other act or omission by any other person. The foregoing assignment is an absolute assignment and not an assignment for security only and Beneficiary's right to the Rents is not contingent upon its possession of the Property.

(c) Trustor hereby directs each tenant of the Property or any portion thereof, to pay such Rents to Beneficiary or Beneficiary's agent and irrevocably appoints Beneficiary as its true and lawful attorney-in-fact, at the option of Beneficiary, at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions and to use, in the name of Trustor or Beneficiary, for all such Leases and Rents and apply the same to the Secured Obligations. Trustor shall not accept any deposit or prepayment of rental or lease payment in excess of one (1) month in advance. Beneficiary at any time may require that all deposits and prepayments be delivered to Beneficiary. Trustor covenants and agrees that Trustor shall not (i) amend, modify or change 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 (ii) enter into any Lease of the Property or any interest therein or any portion thereof, from and after the date of this Deed of Trust without the prior written consent of Beneficiary. Trustor agrees that commencing with an Event of Default (defined below), each tenant of the Property or any portion thereof, shall make such Rents payable to and pay such Rents, to Beneficiary or Beneficiary's agent, upon Beneficiary's written demand to each tenant therefor, without any liability on the part of such tenant to inquire further as to the existence of an Event of Default by Trustor, provided, however, in the event of Trustor's cure of any such Event of Default as herein provided, Trustor shall again be entitled to recover and collect such rents as provided above prior to the Event of Default.

(d) Trustor shall: (i) fulfill or perform each and every condition and covenant of each Lease to be fulfilled or performed by the lessor thereunder, (ii) 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 and (iii) enforce, short of termination thereof, the performance or observance of each and every covenant and condition thereof by the lessee thereunder to be performed or observed.

(e) Trustor shall furnish to Beneficiary, within thirty (30) days after a request by Beneficiary, a written statement containing the names of all lessees of the Property, the terms of their respective Leases, the space occupied and the rentals payable and received thereunder and a copy of each Lease.

(f) All Leases, other than month to month rentals, shall provide for the subordination, in form and substance satisfactory to Beneficiary, of such Leases to this Deed of Trust and all extensions, renewals and modifications thereof. 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 a lease shall, if requested by Beneficiary as a result of such enforcement, automatically attorn to, become the lessee of, Beneficiary, without any change in the terms or other provisions of the respective lease;



provided, Beneficiary shall not be (i) bound by any payment of rent or other sum more than one (1) month in advance, except payments in the nature of security, (ii) bound by any amendment or modification to the respective lease made without the consent of Beneficiary, (iii) liable for damages or any act or omission of any prior lessor; or (iv) subject to any offsets or defenses which such lessee might have against any prior lessor.

4. Representations and Warranties. Trustor acknowledges, represents and warrants that Trustor lawfully holds, owns and possesses the Property in fee simple subject to no lien, claim, security interest or encumbrance except those approved by Beneficiary in writing prior to the delivery hereof.

5. Taxes and Assessments. Trustor shall pay prior to delinquency all taxes, assessments, levies 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, including assessments on appurtenant water stock. 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. Trustor shall furnish Beneficiary, within ten (10) days after the date such payments are due and payable, official receipts of the appropriate authority or other proof satisfactory to Beneficiary evidencing the payment thereof.

6. Insurance.

(a) Trustor shall at its expense, procure for, deliver to and maintain for the benefit of, Beneficiary until the Secured Obligations are fully repaid original, fully paid (prepaid at least one (1) in advance) insurance policies providing the following types of insurance relating to the Property, issued by such insurance companies, in such amounts, in such form and content and with such expiration dates as are approved by Beneficiary, in Beneficiary's sole discretion, such policies to provide that the insurer shall give Beneficiary at least thirty (30) days prior written notice of cancellation or termination, in the manner provided for the giving of notices to Beneficiary under Section 32 hereof and to provide that no act or thing done by the insured shall invalidate or diminish the insurance provided to Beneficiary and, except for liability policies, to contain a standard mortgage clause in a form satisfactory to Beneficiary, naming Beneficiary as the loss payee thereunder

(i) Broad form property insurance against all risks of physical loss, including, without limitation, fire, extended coverage, vandalism, malicious mischief, earthquake, flood and collapse, with waiver of subrogation, to the extent of the full replacement cost of the improvements to the Property, without deduction for depreciation, either without co-insurance requirements or with agreed amount endorsement attached;



(ii) Public liability insurance, with all-risk endorsement, covering all liabilities incident to the ownership, possession, occupancy and operation of the Property and naming Beneficiary as an additional insured thereunder, having limits of not less than \$1,000,000.00 each accident, \$1,000,000.00 each person and \$500,000.00 property damage. In addition, Trustor shall furnish Beneficiary with a certificate evidencing an umbrella policy of public liability and property damage insurance in an amount of not less than \$3,000,000.00;

(iii) Rent or business interruption insurance against loss of income arising out of any hazard against which the Property is required to be insured under subsection 6(a)(i) above, in an amount not less than twelve (12) months gross rental income from the Property;

(iv) Flood hazard insurance, if the Property is in an area which is, at any time during the term of this Deed of Trust, identified by the Secretary of Housing and Urban Development as having special flood or mud slide hazards;

(v) During the period of any construction on or renovation or alteration of the Improvements, a "Builder's Risk-All Risk Completed Value" insurance policy in an amount and form acceptable to Beneficiary and worker's compensation insurance covering all persons engaged in such construction, renovation or alteration;

(vi) Insurance covering the major components of the central heating, air conditioning and ventilating systems, boilers, other pressure vessels, high pressure piping and machinery, if any or other similar equipment installed in the Improvements, in an amount determined by Beneficiary, which policies shall also insure against physical damage to the Improvements arising out of an accident covered thereunder;

(vii) Such other insurance on the Property or any replacements or substitutions therefor, in such amounts as may from time to time be required by Beneficiary against other insurable casualties which at the time are commonly insured against in the case of the properties of similar character and location.

(b) Trustor covenants and agrees that Beneficiary is hereby authorized and empowered, at its option, to adjust, compromise or settle any loss under any insurance policies maintained pursuant hereto and to collect and receive the proceeds from any policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Beneficiary, instead of to Trustor and Beneficiary jointly. 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 irrevocably appoints Beneficiary as its agent and attorney-in-fact so to do. After deducting from said

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insurance proceeds all of its expenses incurred in the collection and administration of such sums, including attorneys fees, Beneficiary may apply the net proceeds or any part thereof, at its sole option, (i) to a prepayment of any of the Secured Obligations, without prepayment premium or penalty, (ii) to the repair and/or restoration of the Property, upon such conditions as Beneficiary may determine and/or (iii) for any other purposes or objects for which Beneficiary is entitled to advance funds under this Deed of Trust, all without affecting the lien of this Deed of Trust or any obligations secured hereby. Any balance of such proceeds then remaining shall be paid to Trustor or the person or entity lawfully entitled thereto. Beneficiary shall not be obligated to see to the proper application of any amount paid over to Trustor and shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy, regardless of the cause of such failure.

(c) At least twenty (20) days prior to the expiration date of each policy maintained pursuant to this Section 6, a renewal or replacement thereof satisfactory to Beneficiary shall be delivered to Beneficiary. Trustor shall deliver to Beneficiary receipts evidencing the full payment of premiums for all such insurance policies and renewals or replacements. In the event Trustor fails to provide, maintain, keep in force or deliver and furnish to Beneficiary the policies of insurance required by this Deed of Trust, Beneficiary may, but shall not be obligated to, procure such insurance and Trustor shall pay all premiums thereon promptly upon demand by Beneficiary; any premiums so paid by Beneficiary shall be added to the principal balance of the Secured Obligations as of the date paid, shall bear interest thereafter at the Note Rate and shall be secured by this Deed of Trust. Beneficiary shall not be responsible for nor incur any liability for the insolvency of the insurer, even though Beneficiary has caused the insurance to be placed with the insurer after failure of Trustor to furnish such insurance.

(d) In the event of the foreclosure of this Deed of Trust or any other transfer of title to the Property in extinguishment or partial extinguishment of the Secured Obligations, all right, title and interest of the Trustor in and to all insurance policies maintained pursuant to this Section 6 then in force shall belong to the purchaser and Beneficiary is hereby irrevocably appointed by Trustor as attorney-in-fact for Beneficiary to assign any such policy to said purchaser, without accounting to Trustor for any unearned premiums therefor.

(e) Approval of any insurance by Beneficiary shall not be a representation of the solvency of any insurer or the sufficiency of any amount of insurance.

7. Condemnation Proceeds. 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 shall be paid to Beneficiary. Except as otherwise set forth herein, Beneficiary may apply any such sum to the payment of the Secured Obligations. Any such application of proceeds to the Secured Obligations shall not extend or postpone the due date of installments under the Note or change the amount of such installments. Application of





all or any portion of said funds or the release thereof, shall not cure or waive any Event of Default or notice thereof or invalidate any acts done pursuant to such notice.

8. Liens, Encumbrances and Charges. Trustor shall immediately discharge any lien, claim or encumbrance which has not been approved by Beneficiary in writing and which has or may attain priority over this Deed of Trust. Trustor shall pay at or prior to maturity all obligations secured by or which may become secured by, 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. Trustor agrees to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed of Trust.

9. Maintenance and Preservation of the Subject Property. Trustor covenants:

- (a) To keep the Property in good condition and repair;
- (b) Not to remove or demolish any of the Property without Beneficiary's prior written consent;
- (c) Not to make any capital improvements in or to any of the Property, other than repairs and maintenance which preserve the value of the Property, without Beneficiary's prior written consent; and to pay when due all claims for labor performed and materials furnished in connection with any work of improvement upon the Land.
- (d) To complete or restore promptly and in good and workmanlike manner any of the Property which may be damaged or destroyed or which may be affected by any condemnation or eminent domain proceeding;
- (e) Not to suffer violation of any and to comply with all, (i) laws ordinances, regulations and standards; (ii) covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character; and (iii) requirements of insurance companies for insurability, which laws, covenants or requirements affect any of the Property or pertain to acts committed or conditions existing thereon;
- (f) Not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without Beneficiary's prior written consent;
- (g) Not to alter the use of all or any part of the Property without the prior written consent of Beneficiary;



(h) Not to commit or permit waste of the Property or to conduct or permit any nuisance thereon or abandon the same;

(i) To do all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value; and

(j) To make no further assignment of Rents or Leases without Beneficiary's prior written consent.

10. Defense and Notice of Losses, Claims and Actions. Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, the security and priority hereof and the rights and powers of Beneficiary hereunder at Trustor's sole expense against all adverse claims. Trustor shall give Beneficiary prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding, of the occurrence of any damage to any of the Property, of any condemnation offer or action and of any Event of Default.

11. Inspection. Beneficiary, its agents and employees may enter the Property at any reasonable time for the purpose of inspecting the Property and ascertaining Trustor's compliance with the terms of this Deed of Trust and each of the other Loan Documents.

12. Compensation; Exculpation; Indemnification.

(a) 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 (i) the exercise of the rights, remedies or powers granted to Beneficiary under this Deed of Trust, (ii) 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 (iii) any loss sustained by Trustor or any third party resulting from Beneficiary's failure to lease the Property after an Event of Default or from any other act or omission of Beneficiary in managing the Property after an Event of Default unless the loss is caused by the willful misconduct or bad faith of Beneficiary.

(b) Trustor shall indemnify Beneficiary against and shall hold it harmless from, all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys fees and other legal expenses, cost of evidence of title, cost of evidence of value and other expenses which Beneficiary may suffer or incur (i) by reason of enforcement of the provisions of this Deed of Trust or any of the other Loan Documents, (ii) in performance of any act required or permitted hereunder, under any of the other Loan Documents or by law, (iii) as a result of any failure of Trustor to perform any of Trustor's obligations or (iv) by reason of any alleged obligation or undertaking on Beneficiary's part to perform or discharge



any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to any of the Property.

(c) Estoppel Certificate. Trustor shall, at any time and from time to time upon not less than ten (10) days prior written notice from Beneficiary, execute, acknowledge and deliver to Beneficiary a statement certifying: (i) 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; (ii) 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 (iii) acknowledging that Beneficiary is not in breach of any of its obligations hereunder or under any other Secured Obligations or any other Loan Document and that no defenses or rights of set-off exist with respect to the payment of the Note or the enforcement of this Deed of Trust in accordance with its terms or if such breach, defenses or rights of set-off exist, the nature of the same. 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 the Secured Obligations are in full force and effect, without modification, except as may be represented by Beneficiary and that Beneficiary is not in breach of any of its obligations hereunder or under any other Secured Obligation and that no defenses or rights of set-off exist with respect to payment under the Note and that this Deed of Trust is fully enforceable in accordance with its terms.

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

14. Expenses and Fees. All reasonable expenses, costs and other liabilities, including attorneys fees, which Beneficiary or Trustee may incur (i) in enforcing, defending, construing or administering this Deed of Trust (or its priority) or any of the other Documents, (ii) for any inspection, evaluation, appraisal, survey or other service in connection with any of the Property, (iii) for any title examination or title insurance policy relating to the title to any of the Property or (iv) in the exercise by Beneficiary of any rights or remedies granted by this Deed of Trust or any of the other 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 Note Rate.

15. 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 (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any Secured Obligation, (iii) grant other indulgences, (iv) 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, (v) take or release any other or additional security for any Secured Obligation or (vi) compromise or make other arrangements with debtors in relation thereto.

16. Trustee's Powers. At any time or from time to time, upon written request of Beneficiary, without liability therefor and without notice and without affecting the effect of this Deed of Trust upon the remainder of the Property, Trustee may: (i) reconvey any part of the Property, (ii) consent in writing to the making of any map or plat thereof, (iii) join in granting any easement thereon or (iv) join in any extension agreement or any agreement subordinating the lien or charge hereof.

17. Default. Each of the following events is an event of default hereunder (herein "Event of Default" or "Default"):

(a) The occurrence of a default under the Note or the failure to pay or perform any other Secured Obligation when first due; or

(b) The failure by Trustor to perform or comply with any other obligation, covenant or condition contained in this Deed of Trust or any of the other Loan Documents; or

(c) The occurrence of a default, "Default" or "Event of Default" under any of the other Loan Documents; or

(d) The occurrence of any transfer prohibited by this Deed of Trust; or

(e) The fact that any warranty of Trustor contained in this Deed of Trust or in any other Loan Document proves to be untrue or misleading in any respect as of the time made or as of any subsequent time prior to the satisfaction in full of all of the Secured Obligations; or

(f) The filing of any federal tax lien against the Property or any portion thereof or interest therein; or

(g) Trustor or any maker, endorser or guarantor of the Note (if a corporation) is liquidated or dissolved or its charter expires or is revoked or any Trustor or such maker, endorser or guarantor (if a partnership, limited liability company or other business association) is dissolved or partitioned or Trustor or any such maker, endorser or guarantor (if a trust) is terminated or expires or any Trustor or any such maker, endorser or guarantor (if an individual) dies; or





(h) [Intentionally omitted]; or

(i) Any Trustor applies for or consents to the appointment of a receiver or trustee for it or any portion of its property or if such a receiver or trustee is appointed for any Trustor or its property or if any Trustor makes an assignment for the benefit of creditors or admits in writing its inability to pay its debts as they become due or if any Trustor becomes insolvent or a petition is filed by any Trustor pursuant to any of the provisions of the Bankruptcy Code, 11 U.S.C. Section 101 *et seq.*, as amended or any similar or successor statute or such a petition is filed against Trustor.

18. Remedies. Upon the occurrence of an Event of Default, Beneficiary may at any time, at its option and in its sole discretion, declare all Secured Obligations to be due and payable and the same shall thereupon become immediately due and payable, including any prepayment charge or fee payable under the terms of any Secured Obligation; provided, upon the occurrence of any event which causes the automatic acceleration of any Secured Obligation in accordance with the terms of any Loan Document, all Secured Obligations shall automatically become immediately due and payable. Beneficiary may also do any or all of the following, although it shall have no obligation to do any of the following:

(a) 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 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 attorney's fees and expenses, upon the Secured Obligations, all in such order as Beneficiary may determine. The collection of rents and profits 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; if Beneficiary elects to seek the appointment of a receiver for the Property or any portion thereof, Trustor hereby expressly consents to the appointment of such receiver and authorizes the appointment of Beneficiary as such receiver; Beneficiary or the receiver shall be entitled to receive a reasonable fee for so managing the Property;

(b) Bring an action in any court of competent jurisdiction to foreclose this instrument or to enforce any of the covenants hereof;

(c) Elect to sell the Property by power of sale herein granted to Trustee;  
and/or

(d) Exercise each of its other rights and remedies under this Deed of Trust and each of the other documents.



If Beneficiary elects to exercise the power of sale granted to Trustee hereunder, Beneficiary shall cause to be given, upon such election, such notice of default and election to sell as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, at the time and place specified in the notice of sale, Trustee shall sell such Property or any portion thereof specified by Beneficiary, at public auction to the highest bidder for cash in lawful money of the United States. 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 Property consists of several lots, parcels or interests, Beneficiary may designate the order in which the same shall be offered for sale or sold. Should Beneficiary desire that more than one such sale or other disposition be conducted, Beneficiary may, at is 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 covenants or warranty whatsoever, express or implied, whereupon such purchaser or purchasers shall be let into immediate possession.

Except as otherwise required by law, Beneficiary may apply the proceeds of any foreclosure hereunder to payment of the following: (i) the expense of such foreclosure, (ii) the cost of any search or other evidence of title procured in connection therewith, including the premium for any Trustee's Sale Guaranty and the real property transfer tax on any deed or conveyance, (iii) all sums expended under the terms hereof, not then repaid, with accrued interest in the amount provided herein, (iv) all other sums secured hereby and (v) the remainder, if any, to the person or persons legally entitled.

Upon any sale or sales made under or by virtue of this section, whether made under the power of sale or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Beneficiary may bid for and acquire the Property or any part thereof. In lieu of paying cash for the Property, Beneficiary may make settlement for the purchase price by crediting the Secured Obligations or any portion thereof, against the sales price of the Property.

Trustor agrees to pay any deficiency arising from any cause after application of the proceeds of the sale held in accordance with applicable law and the provisions hereof.

Covenants 1, 3, 4 (interest at the Note Rate), 5, 6, 7 (reasonable counsel fees), 8 and 9 of NRS 107.030 are hereby adopted by reference and made a part hereof to the extent not inconsistent with any other provisions contained herein.

19. Subrogation. Beneficiary shall be subrogated to any mechanic's or vendor's lien, superior titles, mortgages, deeds of trust, liens, encumbrances, rights, equities and

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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 or are otherwise paid by Beneficiary.

20. 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 any 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 modifying the terms of any Secured Obligation or accept additional security or release all or any 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 personal liability of Trustor (if any), subsequent purchasers of all or any part of the Property or makers, sureties, guarantors or endorsers of any Secured Obligation, under any covenant of this Deed of Trust or of any Secured Obligation or release or impair the priority of the lien of this Deed of Trust upon any of the Property.

21. 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 shall not be deemed to be a waiver of any of 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 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.

22. Transfer Taxes. If at any time the United States of America, any state or any governmental subdivision of such state shall require the payment of any transfer tax with respect to or revenue stamps to be affixed to, this Deed of Trust or any of the other Loan Documents or the payment of any other tax paid on or in connection therewith, Trustor shall pay the same with any interest or penalties imposed in connection therewith if Trustor is permitted by law to pay such amount and, if not so permitted, then the Secured Obligations shall immediately be due and payable.



23. Cumulative. The rights of Beneficiary arising under this Deed of Trust and the other Loan Documents shall be separate, distinct and cumulative and none of them shall be in exclusion of the others. 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.

24. Statement of Condition. Beneficiary shall furnish any statement required by law regarding the obligations secured hereby or regarding the amounts 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 therefor.

25. 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". Such request and reconveyance shall operate as a re-assignment of the rents, issues and profits herein assigned to Beneficiary.

26. Substitution. Beneficiary may substitute 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 is 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.

27. Law. Trustor acknowledges and agrees that this Deed of Trust shall be governed by and construed and enforced in accordance with, the laws of the State of Nevada; provided, however, in all instances, Federal law shall apply to the extent that Beneficiary may have greater rights thereunder and to the extent Federal law pre-empt state law.

28. Severable. If any provision of this Deed of Trust or its application to any person or circumstances is held invalid, the other provisions hereof or the application of the provisions to other persons or circumstances shall not be affected.

29. 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 land and shall bind Trustor, the heirs, personal representatives, successors and assigns of Trustor and





all subsequent encumbrancers and tenants of the Property and shall inure to the benefit of Beneficiary and their respective successors and assigns.

30. 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.

31. Notice. Except as otherwise provided by law, any notice, request, demand, consent, approval or other communication ("Notice") provided or permitted under this Deed of Trust or any other instrument contemplated hereby, shall be in writing, signed by the party giving such Notice and shall be given by personal delivery to the other party or by United States certified or registered mail, postage prepaid, return receipt requested, addressed to the party for whom it is intended at its address as set forth at page 1 hereof. Unless otherwise specified, Notice shall be deemed given when received, but if delivery is not accepted, on the earlier of the date delivery is refused or the third day after same is deposited in any official United States Postal Depository. Any party from time to time, by Notice to the other parties given as above set forth, may change its address for purposes of receipt of any such communication.

32. No Third Party Beneficiaries. This Deed of Trust is made and entered into for the sole protection and benefit of the parties hereto and the assignees of Beneficiary 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.

33. No Right of Set-off. 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 an assertion of alleged set-off with respect to any 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 set-off which it might otherwise have with respect to any such claims or causes of action against Beneficiary, unless and until such right of set-off 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.

34. Amendments. This Deed of Trust contains (or incorporates) the entire agreement of the parties hereto with respect to the matters covered hereby and this Deed of Trust may only be modified or amended by a written instrument executed by each of the parties hereto.

35. 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.

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

37. 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. 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.

38. 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 Beneficiary's or Trustee's acts and granting to Beneficiary such relief as may be warranted in the circumstances.

39. Transfers. In the event that Trustor or any successor in interest to Trustor in the real property hereby encumbered, shall sell, transfer, further encumber, mortgage or convey or contract to sell, transfer, further encumber, mortgage or convey, any or all of the Property or any portion thereof or any interest therein, then, at the option of Beneficiary, the then unpaid balance of the Secured Obligations shall forthwith become due and payable although the time of maturity as expressed therein shall not have arrived. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions. If Trustor is a corporation, partnership, trust, limited liability company or other entity, the transfer, encumbrance or other disposition of the voting control of such entity or of the ownership of more than fifty percent (50%) of the financial interest in Trustor shall be deemed to be a transfer for purposes of this section. If this Deed of Trust or any Note secured hereby contains any provision conferring on Beneficiary the right to demand any prepayment fee or sum of money for prepayment of any indebtedness secured hereby, Trustor agrees to pay the maximum amount of such fee or sum of money which Beneficiary would have been entitled to demand pursuant to such provision. If Beneficiary has accelerated the debt in accordance with any of the provisions herein, Beneficiary shall nevertheless be entitled to any prepayment fee which may be provided in this Deed of Trust or in the Note which this Deed of Trust secures.



40. Prepayment Penalty. To the extent permitted by applicable law, if Beneficiary has accelerated the debt in accordance with any provision hereof or of the Note, Beneficiary shall nevertheless be entitled to any prepayment fee which may be provided in this Deed of Trust or in the Note.

41. Further Assurances: After-Acquired Property. At any time and from time to time, upon request by Beneficiary, Trustor shall make, execute and deliver or cause to be made, executed and delivered, to Beneficiary and, where appropriate, cause to be recorded and/or re-filed at such time and in such offices and places as shall be deemed desirable by Beneficiary, any and all such other and further mortgages, deeds of trust, security agreements, financing statements, continuation statements, instruments of further assurances, certificates and other documents as may, in the opinion of Beneficiary, be necessary or desirable in order to effectuate, complete or perfect or to continue and preserve, (i) the obligations of Trustor described in the Note and secured by this Deed of Trust and (ii) the lien of this Deed of Trust as a first and prior lien upon and security title in and to all of the Property, whether now owned or hereafter acquired by Trustor, except as otherwise provided in the Loan Documents. Upon any failure by Trustor so to do, Beneficiary may make, execute, record, file, re-record and/or re-file any and all such mortgages, deeds of trust, security agreements, financing statements, continuation statements, instruments, certificates and documents for and in the name of Trustor and Trustor hereby irrevocably appoints Beneficiary the agent and attorney-in-fact of Trustor so to do. The lien and security title hereof shall automatically attach, without further act, to all after-acquired property attached to and/or used in the operation of the Property or any part thereof, to the extent permitted by law.

42. Hazardous Materials.

(a) Trustor represents and warrants that no Hazardous Materials (as defined below) exist on, under or about the Property or, to the best of Trustor's knowledge after diligent inquiry, have been transported to or from the Property or used, generated, manufactured, stored or disposed of on, under or about the Property and the Property is not in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or the environmental conditions on, under or about the Property, including, without limitation, soil and groundwater conditions. "Hazardous Materials" shall include: (i) oil, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other materials or pollutants which pose a hazard to the Property or to persons on or about the Property, cause the Property to be in violation of any local, state or federal law or regulation or are defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic" or words of similar import under any applicable local, state or federal law or under the regulations adopted or publications promulgated pursuant thereto, including, but not limited to: (A) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, *et seq.*; (B) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, *et seq.*; (C) the Resource Conservation and Recovery Act, as



amended, 42 U.S.C. §6901, *et seq.*; (D) the applicable provisions of NRS Chapters 444, 445A, 445B, 445C, 459, 590 and 618; and the Uniform Fire Code (1988 Edition), each as hereafter amended from time to time and the present and future rules, regulations and guidance documents promulgated under any of the foregoing; and (E) regulations adopted and publications promulgated pursuant to the aforesaid laws; (ii) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls in excess of fifty (50) parts per million; and (iii) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety of the occupants of the Property or the owners and/or occupants of property adjacent to or surrounding the Property.

(b) Trustor shall, at its sole cost and expense, prevent the imposition of any lien against the Property for the cleanup of any Hazardous Material and shall comply and cause (i) all tenants under any lease or occupancy agreement affecting any portion of the Property and (ii) any other person or entity on or occupying the Property, to comply with all federal, state and local laws, regulations, rules, ordinances and policies concerning the environment, health and safety and relating to the use, handling, production, disposal, discharge and storage of Hazardous Materials in, on or about the Property. Without limiting the generality of the foregoing, Trustor represents, covenants and agrees that the Property does not and will not contain any Hazardous Materials. Trustor hereby grants to Beneficiary, its agents, employees, consultants and contractors an irrevocable license to enter upon the Property and to perform such tests on the Property as are reasonably necessary to conduct an investigation and/or review.

(c) Trustor shall promptly take any and all necessary remedial action in response to the presence, storage, use, disposal, transportation or discharge of any Hazardous Materials on, under or about the Property; provided, however that Trustor shall not, without Beneficiary's prior written consent, take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims, proceedings, lawsuits or actions, completed or threatened pursuant to any Hazardous Materials laws or in connection with any third party, if such remedial action, settlement, consent or compromise might, in Beneficiary's sole determination, impair the value of Beneficiary's security hereunder; Beneficiary's prior consent shall not, however, be necessary in the event that the presence of Hazardous Materials on, under or about the Property either (i) poses an immediate threat to the health, safety or welfare of any individual or (ii) is of such a nature that an immediate remedial response is necessary and it is not possible to obtain Beneficiary's consent prior to undertaking such action. In the event Trustor undertakes any remedial action with respect to any Hazardous Materials on, under or about the Property, Trustor shall immediately notify Beneficiary of any such remedial action and shall conduct and complete such remedial action (A) in compliance with all applicable federal, state and local laws, regulations, rules, ordinances and policies, (B) to the satisfaction of Beneficiary and (C) in





accordance with the orders and directives of all federal, state and local governmental authorities.

(d) Trustor shall protect, indemnify and hold Beneficiary, its directors, officers, employees and agents and any successors to Beneficiary's interest in the Property and any other person or entity who acquires any portion of the Property at a foreclosure sale, by the receipt of a deed in lieu of foreclosure or otherwise through the exercise of Beneficiary's rights and remedies under the Documents and any successors to any such other person or entity and all directors, officers, employees and agents of all of the aforementioned indemnified parties, harmless from and against any and all claims, proceedings, lawsuits, liabilities, damages, losses, fines, penalties, judgments, awards, costs and expenses (including, without limitation, attorneys fees and costs and expenses of investigation) which arise out of or relate in any way to any use, handling, production, transportation, disposal or storage of any Hazardous Materials in, on or about the Property whether by Trustor or any Tenant or any other person or entity, including, without limitation: (i) all foreseeable and all unforeseeable consequential damages directly or indirectly arising out of (A) the use, generation, storage, discharge or disposal of Hazardous Materials by Trustor, any prior owner or operator of the Property or any person or entity on or about the Property or (B) any residual contamination affecting any natural resource or the environment and (ii) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation of any closure or other required Plans (all such costs, damages and expenses referred to in this subsection 44(d) hereafter referred to as "Expenses"). In addition, Trustor agrees that in the event any Hazardous Material is caused to be removed from the Property by Trustor, Beneficiary or any other person or entity, the number assigned by the Environmental Protection Agency to such Hazardous Material shall be solely in the name of Trustor and Trustor shall assume any and all liability for such removed Hazardous Material. In the event Beneficiary pays any Expenses, such Expenses shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the default rate specified in the Note.

(e) In the event that Trustor shall fail to timely comply with the provisions of this Section 42, Beneficiary may either (i) declare that an event of default shall have occurred, and/or (ii) in addition to any rights granted to Beneficiary hereunder, do or cause to be done whatever is necessary to cause the Property to comply with the applicable law, rule, regulation or order and the cost thereof shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the default rate specified in the Note. Trustor shall give Beneficiary and its agents and employees access to the Property for the purpose of effecting such compliance and hereby specifically grants to Beneficiary an irrevocable license, effective (x) immediately if, in the opinion of Beneficiary, irreparable harm to the environment, the Property or persons or material amounts of property is imminent or (y) otherwise, upon expiration of the applicable cure period, to do whatever necessary to cause the Property to so comply, including, without limitation, to enter the Property and remove therefrom any Hazardous Materials. Trustor shall pay or reimburse



Beneficiary for any and all loss, cost, damage and expense (including, without limitation, attorneys fees and costs incurred in the investigation, defense and settlement of claims) that Beneficiary may incur as a result of or in connection with the assertion against Beneficiary of any claims relating to the presence or removal of any Hazardous Material or compliance with any federal, state or local laws, rules, regulations or order relating thereto and the amount(s) thereof shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the default rate specified in the Note.

(f) The covenants and obligations of Trustor in this Section 42 shall inure to the benefit of and may be enforced by Beneficiary or any subsequent holder of the note(s) secured hereby. Such covenants and obligations shall survive the termination of this Deed of Trust whether by a foreclosure sale (either judicial or non-judicial) held hereunder or by a conveyance in lieu of foreclosure in the event Beneficiary or other holder of the note(s) secured hereby acquires title to the Property by such foreclosure sale or conveyance in lieu of foreclosure; provided, however, that the obligations of Trustor set forth herein shall not apply to Hazardous Materials which are initially placed on, in or under all or any portion of the Property after the date Beneficiary or other holder of the note(s) secured hereby so takes title to the Property.

43. Environmental Provisions. In accordance with Section 40.512 of the Nevada Revised Statutes ("NRS"), Beneficiary may waive its lien against the Property or any portion thereof, together with fixtures or personal property thereon, 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 deficiency, including, without limitation, seeking an attachment order under NRS Chapter 31. No such waiver shall be final or binding on Beneficiary unless and until a final money judgment is obtained against Trustor. As between Beneficiary and Trustor, for purpose of NRS 40.505, 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 of the release to Beneficiary or that Beneficiary otherwise obtained actual knowledge thereof. The Secured Obligations hereunder shall survive the foreclosure, deed in lieu of foreclosure, release, reconveyance or any other transfer of the Property or this Deed of Trust. For the purposes of any action brought under this Section 43, Trustor hereby waives the defense of laches and any applicable statute of limitations.

In accordance with, and subject to limitations of, NRS 40.508 and NRS 40.509, Beneficiary may seek a judgment that Trustor has breached its covenants, representations and/or warranties with respect to the environmental matters contained in Section 42(a) through (e) of this Deed of Trust (the "Environmental Provisions"), and may commence and maintain an action or actions in any court of competent jurisdiction for enforcement of the Environmental Provisions and/or recovery of any and all costs, damages,

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expenses, fees, penalties, fines, judgments, indemnification payments to third parties, and other out of pocket costs or expenses (including, without limitation, court costs, reasonable consultants' fees and reasonable attorney's fees whether incurred in litigation or not and whether before or after judgment), incurred or advanced by Beneficiary pursuant to the Environmental Provisions (collectively, the "Environmental Costs"), excluding, however, any Environmental Costs not permitted to be recovered pursuant to NRS 40.509. Environmental Costs that are not permitted to be recovered pursuant to NRS 40.509 may be referred to hereinafter as the "Unsecured Environmental Costs", and Environmental Costs other than the Unsecured Environmental Costs may be referred to hereinafter as the "Secured Environmental Costs". All Unsecured Environmental Costs and Secured Environmental Costs incurred by Beneficiary shall bear interest at the default rate specified in the Note or, if no default rate is specified, than at the Note Rate. All Secured Environmental Costs together with interest thereon shall be secured by this Deed of Trust and shall enjoy the same priority as the other obligations secured hereby. Trustor acknowledges and agrees that notwithstanding any term or provision contained in this Deed of Trust or in the other Loan Documents, Environmental Costs shall be exceptions to any nonrecourse or exculpatory provisions, if any, and Trustor shall be fully and personally liable for Environmental Costs. Such liability shall not be limited to the original principal amount of the obligations secured by this Deed of Trust. The Secured Obligations hereunder shall survive foreclosures, deed in lieu of foreclosure, release, reconveyance or any other transfer of the Property or this Deed of Trust.

44. Appointment of a Receiver. If any Event of Default is continuing or if Beneficiary shall have accelerated the Indebtedness, Beneficiary, upon application to a court of competent jurisdiction, whether in conjunction with Beneficiary's commencement of judicial proceedings to foreclose the lien hereof or pursuant to the other proceedings shall be entitled as a matter of strict right, without notice and without regard to the occupancy or value of the Property or any other security for the Indebtedness or the insolvency of any party bound for its payment, to the appointment, of a receiver to take possession of and to operate the Property or any portion thereof subject to the Declaration and the rights of the Association and the owners other than Trustor and to rent, market and sell vacation ownership interests and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. In addition, Beneficiary shall have the right to appoint a receiver when permitted under applicable law, including, without limitation, in order to enforce Beneficiary's rights under Section 43. The receiver shall have all the rights and powers to the fullest extent permitted by law.

45. Waiver of Trial by Jury. TO THE FULLEST EXTENT PERMITTED BY LAW, GRANTOR WAIVES THE RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY ACTION, SUIT OR OTHER PROCEEDING ARISING OUT OF OR RELATING TO THIS DEED OF TRUST OR ANY OTHER DOCUMENT.

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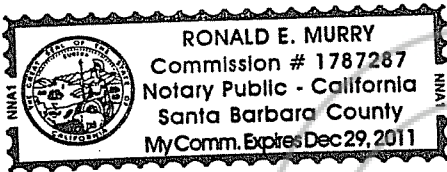


IN WITNESS WHEREOF, this Deed of Trust has been duly executed and acknowledged by Trustor as of the day and year first above written.

*Essam*  
Essam Khashoggi, Trustee of the  
ELK Trust (u/d/t 12/23/86)

STATE OF CA )  
County of Santa Barbara ) ss.

This instrument was acknowledged before me on January 21, 2011, by  
Essam Khashoggi, as Trustee of the ELK Trust (u/d/t 12/23/86).



*Ronald E. Murry*  
Notary Public  
My Commission Expires: 12/29/2011

Initial Here

*Essam*





EXHIBIT "A"

LEGAL DESCRIPTION

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

PARCEL 1:

All that portion of Section 27, Township 14 North, Range 18 East, M.D.M., more particularly described as follows:

Beginning at a point on the North line of said Section 27 which bears North 88°55'49" West 2,304.98 feet from the Northeast corner of Section 27, said point also being on the Westerly right-of-way line of U.S. Highway 50; thence along said right-of-way line South 20°03'29" West 49.43 feet; thence South 65°22'18" East 73.84 feet; thence Southwesterly along a curve concave to the Southeast with a radius of 450 feet, a central angle of 26°15'22" and an arc length of 206.22 feet; thence North 71°32'09" West 61.89 feet; thence Southwesterly along a curve concave to the Southeast with a radius of 1,220.00, a central angle of 05°07'37" and an arc length of 109.17 feet; thence South 09°05'59" West 202.27 feet; thence South 27°02'23" West 220.77 feet; thence South 16°23'30" East 321.05 feet; thence Southerly along a curve concave to the East with a radius of 3,080.00 feet, a central angle of 02°49'05" and an arc length of 151.49 feet; thence South 47°16'03" West 21.81 feet; thence North 42°43'57" West 22.62 feet; thence North 88°12'34" West 59.45 feet; thence South 01°47'26" West 16.99 feet; thence North 46°21'51" West 21.35 feet; thence North 42°43'57" West 20.70 feet; thence South 47°16'03" West 21.81 feet; thence North 89°14'16" West 16.86 feet; thence South 45°45'44" West 22.97 feet to the beginning of a tangent curve to the right with a radius of 35.00 feet and a central angle of 121°26'00"; thence along said curve an arc length of 74.18 feet; thence North 89°14'16" West 271.62 feet to a point on the meander line of Lake Tahoe; thence along said meander line North 05°58'40" West 31.75 feet; thence North 28°01'20" East 310.20 feet; thence North 13°58'40" West 257.40 feet; thence North 28°01'20" East 738.86 feet to a point on the North line of said Section 27; thence along said North line South 88°55'49" East 224.22 feet to the Point of Beginning.

Together with all that land lying Westerly of the above described meander line to the Low Water Line at elevation 6,223.0 feet, Lake Tahoe Datum, in accordance with NRS 321.595.

The basis of bearing of this description is the centerline of U.S. Highway 50 as adopted in 1952 and is shown on sheet No. 4 of Nevada State Highway Dept. Map of Project F-002-1(25) in Douglas County, Nevada.

APN 1418-00-002-003

PARCEL 2:

All that portion of the Northeast corner of Lot "A" of the Caverock Cove, Ltd., Tract, Subdivision No. 1, as shown on the Official Plat of the same filed with the County Recorder of Douglas County, Nevada, more particularly described as follows:

Order No.: 1006438  
Preliminary Title Report

Initial Here:



Beginning at the Northeast corner of said Lot "A", being the intersection of the North line of said tract with the Westerly right-of-way line of U.S. Highway 50, said point bears South 64°27'05" West 2,706.71 feet from the Northeast corner of Section 27, Township 14 North, Range 18 East, M.D.M.; thence along said West right-of-way, along a curve concave to the East with a radius of 2,060 feet, a central angle of 02°06'54" and an arc length of 76.04 feet, the chord of which bears South 01°20'46" East 76.04 feet; thence South 87°35'47" West 15.00 feet; thence along a curve concave to the East with a radius of 2,075, a central angle of 00°53'33" and an arc length of 32.32 feet, the chord of said curve bears South 02°47'26" East 32.37 feet; thence South 36°08'08" West 57.72 feet; thence North 87°44'46" West 64.92 feet; thence North 36°54'16" West 91.14 feet; thence North 01°34'16" West 2.34 feet; thence North 05°34'46" West 61.20 feet; thence along a curve concave to the Southwest with a radius of 5.22 feet, a central angle of 86°11'37" and an arc length of 7.85 feet, the chord of said curve bears North 49°03'39" West 7.13 feet; thence South 87°51'33" West 5.90 feet; thence North 45°45'44" West 20.93 feet; thence South 89°14'16" East 16.86 feet; thence North 47°16'03" East 21.81 feet; thence South 42°43'57" East 20.70 feet; thence South 46°21'51" East 21.35 feet; thence North 01°47'26" East 16.99 feet; thence South 88°12'34" East 59.45 feet; thence South 42°43'57" East 22.62 feet; thence North 47°16'03" East 21.81 feet; thence South 89°14'23" East 13.79 feet to the Point of Beginning.

The basis of bearing of this description is the centerline of U.S. Highway 50 as adopted in 1952 and is shown on sheet No. 4 of Nevada State Highway Dept. Map of Project F-002-1(25) in Douglas County, Nevada.

APN 1418-27-210-001

PARCEL 3:

Lot 1 and the Northeast 1/4 of Northeast 1/4 of Section 27, Township 14 North, Range 18 East.

EXCEPTING THEREFROM THE South 100 feet;

Excepting therefrom all that portions conveyed to the State of Nevada in instruments recorded September 22, 1933 in Book T of Deeds at Page 462 and recorded February 13, 1952 in Book A-1 of Deeds at Page 92 and recorded October 18, 1967 in Book 54 at page 313, all Official Records of Douglas County, State of Nevada.

FURTHER EXCEPTING THEREFROM that portion of said land lying West of the Easterly Right-of-way line of U.S. Highway 50.

APN 1418-00-002-004

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED DECEMBER 24, 1986, BOOK 1286, PAGE 3110, AS FILE NO. 147311, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 4:

Order No.: 1006438  
Preliminary Title Report

Initial Here:



An easement and right-of-way grant by the State of Nevada, acting through the Division of State Lands as shown in Document recorded March 23, 1990, in Book 390, Page 2731, as Document No. 222362.

COPY

Order No.: 1006438  
Preliminary Title Report

Initial Here