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When Recorded Return To:

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257 East 200 South, Suite 700
Salt Lake City, UT 84111

NCS 511292 AH

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

by

Tahoe Silver Star, Inc.,
a Nevada corporation,
as Trustor,

to

First American Title Company of Nevada, Trustee for the benefit of

Celtic bank Corporation,
a Utah corporation,
as Beneficiary

December 15, 2011

This document serves as a Fixture Filing under the Nevada Commercial Code.

Trustor's Organizational Identification Number is 45-2213585.



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

This LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is executed and delivered as of the 15th day of December, 2011, by Tahoe Silver Star, Inc., a Nevada corporation (herein referred to as "Tristor"), whose address is 2121 Elks Point Road, Suite 553, Zephyr Cove, Nevada, 89448 Nevada to First American Title Insurance Company, (herein referred to as "Trustee") whose address is 2490 Pasado Verde Parkway, Suite 100, Henderson, Nevada, for the benefit of Celtic Bank Corporation, a Utah corporation (herein referred to as "Beneficiary"), whose address is 340 east 400 South, Salt Lake City, UT 84111.

RECITALS

A. The Beneficiary is the lessee under a Ground Lease (the "Lease") of a parcel of real property (the "Land") located in Douglas County, Nevada. As described in recital C below, the Lease will be assigned to Tristor by Beneficiary.

B. A commercial building (the "Building") and various site improvements have been constructed on the Land (collectively, the "Improvements"). The Beneficiary is the owner of the Improvements.

C. The Tristor and the Beneficiary have entered into an Offer to Purchase (the "Purchase Agreement") whereby the Tristor has agreed to purchase the Improvements from the Beneficiary together with certain items of personal property (tangible and intangible) and fixtures related to the Improvements. The personal property and the fixtures are sometimes hereafter referred to as the ("Personalty"). Pursuant to the Purchase Agreement, the Tristor has agreed to assume the Lease obligations from the Beneficiary and the Beneficiary has agreed to assign the Lease to the Tristor.

D. The Tristor (and its affiliates) and the Beneficiary have entered into that certain Business Loan Agreement (the "Loan Agreement"), promissory note (the "Note") in the amount of Six Hundred Thousand Dollars (\$600,000) (the "Loan Amount"), security agreement, guarantee and other financing documents and instruments (collectively the "Financing Documents") dated as of the date hereof (as the same may be amended, modified, or supplemented from time to time in accordance with its terms, the "pursuant to which the Tristor and the Beneficiary have agreed, *inter alia*, that the Tristor will repay the Loan Amount to the Beneficiary in satisfaction of amounts owed by the Tristor to the Beneficiary pursuant to the Financing Documents and subject to the terms and conditions set forth in the Financing Documents. The Financing Documents are further described in Section 6.14 of this Deed of Trust.

E. The Lease as described on Exhibit A-1, and all related surface rights, easements and rights-of-way set forth (as such Lease, surface rights, easements and rights-of-way may be amended, modified or supplemented from time to time, collectively the "Lease Rights") relate to the Land legally described on Exhibit A-2 attached hereto.

F. It is a condition precedent under the Financing Documents that this Deed of Trust shall have been executed and delivered by each of the parties hereto.



AGREEMENT

NOW THEREFORE, to induce the Beneficiary to enter into the Financing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Trustor hereby agrees as follows:

ARTICLE 1
GRANTING CLAUSES: CONDITION OF GRANT

Section 1.1 Conveyances and Security Interests. In order to secure the prompt and indefeasible payment and performance in full of the Loan Amount and all of its obligations under the Financing Documents (as defined above, the "Secured Obligations"), Trustor hereby:

(a) irrevocably and unconditionally pledges, grants, conveys, transfers and assigns to the Trustee, and to its successor or successors or substitutes in trust, with power of sale, WITH DEED OF TRUST COVENANTS No's.1, 2,3, 4, 5, 6, 7, 8 and 9 of NRS. 107.030 which are hereby adopted and part of this Deed of Trust and under and subject to the terms and conditions set forth herein, for the benefit of Beneficiary, the leasehold estate created by the Lease and all other tenancy, term, right, title and interest of Trustor, of whatever character (whether vested or contingent), in and to:

(i) the Land, together with any and all rights, privileges and benefits, of whatever character, to which Trustor may be entitled, under or by virtue of the Lease, together with all water rights and rights to the use of water that are used in connection with the Land and the Lease;

(ii) all Improvements now or hereafter existing, erected or placed on the Land;

(iii) all licenses, tenements, franchises, hereditaments, appurtenances, easements, rights-of-way, rights of ingress or egress, and other rights, now or hereafter owned by Trustor relating or belonging or appertaining to the Land or Improvements;

(iv) all estate, right, title and interest of Trustor in and to all streets, roads and public places, opened or proposed, now or hereafter adjoining or appertaining to the Land or Improvements; and

(v) all options to purchase the Land or Improvements, or any portion thereof or interest therein, and any greater estate in the Land or Improvements,

and all additions to and proceeds of the foregoing (collectively, the "Real Property"). (The Improvements and the Real Property shall be collectively referred to herein as the "Realty Collateral");

(b) assigns to the Trustee, and to its successor or successors or substitutes in trust, with power of sale, and under and subject to the terms and conditions set forth herein, for the benefit of Beneficiary, and grants to Beneficiary a security interest in, Trustor's right, title and interest in and to all personal property of any kind or nature whatsoever, whether tangible or intangible and whether now owned or hereafter acquired, which is used in connection with the operation, maintenance, management, use or enjoyment of the Real Property (as hereinafter defined) by Trustor, including, without limitation:



(i) all fixtures, equipment, systems, machinery, furniture, furnishings, appliances, inventory, goods, building and construction materials, supplies and other articles of personal property, of every kind and character, tangible and intangible, now owned or hereafter acquired by Trustor, which are now or hereafter attached to or situated in, on or about the Land or Improvements, or used by Trustor in connection with development, construction, operation, maintenance, management, use or enjoyment of the Land or Improvements (whether delivered to the Land or stored elsewhere), and all additions to each of the foregoing, all of which are hereby declared to be permanent accessions to the Land (collectively, the "Accessories");

(ii) all accounts of Trustor within the meaning of the Uniform Commercial Code of the State of Nevada, (collectively, the "Accounts");

(iii) all present and future goods used in connection with the and the businesses known as Tahoe Silver Star dba Dart Liquor (the "Businesses"), including, without limitation, all tangible or intangible assets, consumer goods, farm products, inventory, equipment, gaming devices and associated equipment as defined in Nevada Revised Statutes Chapter 463, furniture, fixtures, trade fixtures, motor vehicles and all other goods transferred to Trustor by that certain Purchase Agreement between Trustor and Beneficiary dated as of November 4, 2011, or used in connection with or in the conduct of the Businesses;

(iv) all present and future inventory and merchandise, including, without limitation, all present and future goods held for sale or lease or to be furnished under a contract of service, all raw materials, work in progress and finished goods, all packing materials, supplies and containers relating to or used in connection with any of the foregoing, and all bills of lading, warehouse receipts or documents of title relating to any of the foregoing;

(v) all franchise, license, management or other agreements with respect to the operation, maintenance, management, use or enjoyment of the Real Property or the Businesses conducted therein or thereon (provided all of such agreements shall be subordinate to this Deed of Trust and Beneficiary shall (unless it otherwise expressly agrees in writing) have no responsibility for the performance of Trustor's obligations thereunder);

(vi) all general intangibles (including, without limitation, payment intangibles, trademarks, trade names, goodwill, software and symbols) related to the Real Property or the Businesses;

(vii) all insurance policies held by Trustor with respect to the Real Property or the Businesses;

(viii) all money, instruments and documents (whether tangible or electronic) arising from or by virtue of any transactions related to the real Property Property and the Businesses, and all deposits and deposit accounts of Trustor with Beneficiary related to the Real Property or the Businesses, including, without limitation, any such deposit account from which Trustor may from time to time authorize Beneficiary to debit and/or credit payments due with respect to the Secured Obligations;

(ix) all present and future stocks, bonds, debentures, securities, subscription rights, options, warrants, puts, calls certificates, partnership interests, joint venture interests, investments and/or brokerage accounts and all rights, preferences, privilege, dividends, distributions, redemption payments, or liquidation payments with respect thereto own by the Trustor;



(x) Trustor's right, title and interest in and to all leases, licenses, concessions, or similar agreements whether or not specifically herein described which now or may hereafter pertain to the Land or the any other aspect of the Real Property and all amendments to the same, including, but not limited to the following: (aa) All payments due and to become due under such *Lease* whether as rent, damages, insurance payments, condemnation awards, or otherwise; (bb) All claims, rights, powers, privileges and remedies under any lease; and (cc) all rights of the Trustor under such leases to exercise any selection or option, or to give or receive any notice, consent, waiver or approval, or to accept any surrender of the premises or any part thereof, together with full power and authority in the name of the Trustor, or otherwise, to demand and receive, enforce, collect, or receipt for any or all of the foregoing, to endorse or execute any checks or any instruments or orders, to file any claims or to take any action which Beneficiary may deem necessary or advisable in connection therewith;

(xi) all plans, specifications, soil reports, engineering reports, land planning maps, surveys, and any other reports, exhibits or plane used or to be used in connection with the, operation or maintenance of the Real Property, together with all amendments and modifications thereof; and

(xii) all present and future accessions, appurtenances, components, repairs, repair parts, spare parts, replacements, substitutions, additions, issue and/or improvements to or of or with respect to any of the foregoing;

together with all additions to and proceeds of all of the foregoing (collectively, the "Personalty") (the Realty Property and the Personalty shall be collectively referred to herein as the "Property");

(c) assigns to the Trustee, and to its successor or successors or substitutes in trust, with power of sale, and under and subject to the terms and conditions set forth herein, for the benefit of Beneficiary, and grants to Beneficiary a security interest in, Trustor's right, title and interest in any and all judgments, awards of damages (including, without limitation, severance and consequential damages), payments, proceeds, settlements, amounts paid for a taking in lieu of condemnation, or other compensation heretofore or hereafter made, including, without limitation, interest thereon, and the right to receive the same, as a result of, or in connection with, any condemnation or threatened condemnation (the "Condemnation Awards") and all insurance proceeds; and

(d) assigns to the Trustee, and to its successor or successors or substitutes in trust, with power of sale, and under and subject to the terms and conditions set forth herein, for the benefit of Beneficiary, and grants to Beneficiary a security interest in, all of Trustor's right, title and interest in, but not any of Trustor's obligations or liabilities under, all (i) contracts for services to be rendered, work to be performed or materials to be supplied in the development of the Land or the construction or repair of Improvements, including, without limitation, all agreements with architects, engineers or contractors for such services, work or materials; (ii) all plans, drawings and specifications for the development of the Land or the construction or repair of Improvements; (iii) all permits, licenses, variances and other rights or approvals issued by or obtained from any governmental authority or other person in connection with the development of the Land or the construction or repair of Improvements; and (iv) all amendments, restatements and/or modifications of, and/or supplements to, any of the foregoing.

This Deed of Trust constitutes and shall be deemed to be a "security agreement" for all purposes of the applicable Nevada Uniform Commercial Code. Beneficiary shall be entitled to all the rights and remedies of a "secured party" under the Nevada Uniform Commercial Code.



Section 1.2 Absolute Assignment of Rents. In consideration of the making of, and arrangements contemplated by, the Secured Obligations by Beneficiary to Trustor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Trustor absolutely and unconditionally assigns to Beneficiary any and all rents, royalties, issues, profits, revenues, earnings, income and other benefits of the Property or any part thereof, or arising from the use or enjoyment of the Property or any part thereof (collectively, "Rents"). This assignment is, and is intended to be, an unconditional, absolute and present assignment from Trustor to Beneficiary of all of Trustor's right, title and interest in and to the Rents and not an assignment in the nature of a pledge of the Rents or the mere grant of a security interest therein. All such sums received by Trustor from and after the date hereof shall be deemed received in trust for the benefit of Beneficiary.

Section 1.3 Security Agreement, Fixture Filing and Financing Statement. This Deed of Trust creates a security interest in the Personalty, and, to the extent the Personalty is not real property, this Deed of Trust constitutes a security agreement from Trustor to Beneficiary under the Uniform Commercial Code of the State of Nevada. In addition to all of its other rights under this Deed of Trust and otherwise, Beneficiary shall have all of the rights of a secured party under the Uniform Commercial Code of the State of the Nevada, as in effect from time to time, or under the Uniform Commercial Code in force from time to time in any other state to the extent the same is applicable law. This Deed of Trust shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Property and is to be filed for record in the real estate records of each county where any part of the Property (including, without limitation, such fixtures) is situated. This Deed of Trust shall also be effective as a financing statement with respect to any other Property as to which a security interest may be perfected by the filing of a financing statement and may be filed as such in any appropriate filing or recording office. The respective mailing addresses of Trustor and Beneficiary are set forth in the opening paragraph of this Deed of Trust. A carbon, photographic or other reproduction of this Deed of Trust or any other financing statement relating to this Deed of Trust shall be sufficient as a financing statement for any of the purposes referred to in this Section. Trustor hereby irrevocably authorizes Beneficiary at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements reasonably required by Beneficiary to establish or maintain the validity, perfection and priority of the security interests granted in this Deed of Trust. Nothing herein shall relieve the Trustor of its primary obligation to file such statements.

Section 1.4 Purpose of security. This Deed of Trust and the Security Interests granted hereunder are granted for the purpose of securing:

(a) First: Payment of the Loan Amount (\$600,000.00) or such amount as may be advanced and unpaid under the Note entered by Trustor and Beneficiary this date, together with interest thereon, according to the terms of the Promissory Note made by Trustor, payable to the order of Beneficiary according to the tenor and effect of said Note, and all renewals, extensions, amendments, restatements and modifications of the Note.

(b) Second: Payment and performance of every obligation, covenant, promise and agreement of Trustor contained in the Financing Documents or herein contained or incorporated herein by reference, including any sums paid or advanced by Beneficiary pursuant to the terms hereof.

(c) Third: The reasonable expenses and costs incurred or paid by Beneficiary in the preservation and enforcement of the rights and remedies of Beneficiary and the duties and liabilities of Trustor hereunder, including, but not by way of limitation, reasonable attorney's fees, court costs, witness fees, expert fees, collection costs, Trustee's fees and costs of a Trustee's Sale Guarantee, and reasonable costs and expenses paid by Beneficiary in performing for Trustor's account any obligation of said Trustor.



Section 1.5 Due on Sale. Beneficiary may, at its option, except as otherwise provided in the Financing Documents, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without the Beneficiary's prior written consent, of all or any part of the Real Property, or any interest in the Real Property by Trustor. Subject to the terms of the other Financing Documents, a "sale or transfer" means the conveyance of the Real Property or any right, title or interest therein, including, without limitation, a contract of sale, contract for deed, lease or sublease, and any change in ownership of any of the voting stock, partnership interests or limited liability company interests, as the case may be, of Trustor. However, this option may not and shall not be exercised by Beneficiary if such exercise is prohibited by applicable federal or State law or if an Event of Default under any Financing Document is not then continuing.

Section 1.6 Release of Deed of Trust and Termination of Assignments and Financing Statements. If and when Trustor has indefeasibly paid and performed in full all of the Secured Obligations, and no further advances, arrangements or accommodations are to be made to Trustor by Beneficiary in connection with the Secured Obligations, Beneficiary shall execute and deliver to Trustor a written release of the Property from the lien of this Deed of Trust, in proper form for recording in the real property records of the appropriate jurisdiction, and termination statements for filed financing statements, if any. Trustor shall be responsible for the recordation of such release and filing of such termination statements and the payment of any recording, filing, documentation and other costs (including, without limitation, costs and expenses incurred by Beneficiary) relating to or arising from any such release. Upon the recording of such release and the filing of such termination statements, the absolute assignment set forth in Section 1.2 shall automatically terminate and become null and void.

Section 1.7 Section 1.7 Sale of Personal Property in the Ordinary Course of Business. Notwithstanding anything else contained herein to the contrary, Trustor shall have the right to sell or otherwise dispose of Personal Property in the ordinary course of business, free and clear of the lien hereof, provided that such items are replaced with Personal Property of equivalent value and quality.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONALTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS OF TRUSTOR EVIDENCED BY THE FINANCING DOCUMENTS AND (2) PERFORMANCE OF ALL OTHER OBLIGATIONS OF TRUSTOR UNDER THIS DEED OF TRUST AND THE FINANCING DOCUMENTS.

**ARTICLE 2
AFFIRMATIVE COVENANTS**

Section 2.1 Property Assessments and Taxes. Trustor will promptly pay in full and discharge on or before the due date thereof all taxes and assessments of every nature which may be levied or assessed against the Property or any portion thereof.

Section 2.2 Maintenance and Repair of the Property. Trustor, at Trustor's sole expense, shall (a) keep and maintain (or cause to be kept and maintained) the Property in good condition, working order and repair, and (b) make (or cause to be made) all necessary or appropriate repairs to the Property, so that each part of the Property shall at all times be in a good condition and fit and proper for the respective purposes for which they were originally intended, erected, or installed.

Section 2.3 Additions to Security. All right, title and interest of Trustor in and to all Improvements hereafter constructed or placed on the Property shall, without any further Deed of Trust, conveyance, assignment or other act by Trustor, become subject to the lien of this Deed of Trust as fully



and completely, and with the same effect, as though now owned by Trustor and specifically described in the granting clauses hereof. Trustor agrees, however, to execute and deliver to Beneficiary such further documents as may be reasonably required by Beneficiary to confirm and evidence such lien.

Section 2.4 Performance of Lease. Trustor shall observe and perform each and every, material obligation imposed upon the lessee under the provisions of the Lease and Trustor hereby specifically agrees that any failure of Trustor to so observe and perform any such material obligation ("Lease Obligation") shall constitute a default under this Deed of Trust with the same force and effect as if such Lease Obligation were specifically set forth in this instrument as an obligation of Trustor hereunder. Whenever and as often as Trustor shall fail to observe or perform any Lease Obligation, then such failure shall, at the option of Beneficiary, constitute an Event of Default, thereby authorizing the Beneficiary to declare the unpaid balance of the Note immediately due and payable, together with all interest accrued thereon, and to proceed to foreclosure hereunder or the Beneficiary may, at the Beneficiary's option and at Trustor's expense, enter upon the Real Property and perform or cause to be performed work, labor services or any act or thing to cure such failure, including the payment of any rent, cost or charge payable by Trustor under the Lease. Either of the options hereinabove set forth may be exercised from time to time and as many times as may be desired by the Beneficiary. Provided, however, Beneficiary shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Trustor under the Lease, and Trustor hereby agrees to indemnify the Beneficiary for, and to save it harmless from, any and all liability arising from the Lease, or from the Deed of Trust; and this Deed of Trust shall not place responsibility for the control, care, management or repair of the property which is the subject of the Lease upon the Beneficiary, or make the Beneficiary, responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Leasehold Estate resulting in loss or injury or death to any tenant, guest, licensee, employee or stranger.

Section 2.5 Insurance. Trustor shall, at all times, provide, maintain and keep in force all of the following:

(a) A policy or policies of commercial general liability insurance with respect to the Property, including but not limited to owners and contractors liability, contractual liability, personal injury, completed operations, and broad form property damage, insuring Trustor and Beneficiary, as their interests may appear, against loss for any occurrence resulting in bodily injury to or the death of one or more persons and consequential damages arising therefrom and property damage involving injury or destruction of the tangible property of third parties in the amount of no less than \$2,000,000.00, combined single limit. All policies should be on an "occurrence" basis with Beneficiary named as an additional insured under such policy or policies.

(b) A policy or policies of fire and hazard insurance insuring the Property against loss or damage on an "All-Risk" basis and against such other risks or hazards as Beneficiary may from time to time reasonably designate in the amount of not less than 100% of the full replacement value of the Property without deduction for physical depreciation. Beneficiary shall be named as Loss Payee under such policy or policies.

(c) If requested by Beneficiary, flood insurance upon the Property in the event that such insurance is available pursuant to the provisions of the Flood Disaster Protection Act of 1973 or other applicable legislation. Beneficiary shall reserve the right to require that Trustor secure flood insurance in excess of the amount provided by the Flood Disaster Protection Act of 1973, if such insurance is commercially available, up to the amount provided in Paragraph 2.04(a) hereof.



(d) If requested by Beneficiary, statutory workers' compensation insurance (including employer's liability in amounts required by the State Industrial Insurance System and, if applicable, insurance covering claims of workers against employers arising under Federal law) covering Trustor and employees of Trustor, in such form as is reasonably satisfactory to Beneficiary and in amounts not less than any minimum amounts established by law.

(e) Such other insurance, and in such amounts, as may from time to time be reasonably required by Beneficiary.

The rights of Beneficiary under such policies shall be subject to rights, if any, of the lessor under the Lease. Trustor may fulfill its obligation for providing the above-referenced insurance policies through blanket insurance coverage. Such insurance policies shall be updated at Lender's request, but not less frequently than annually during the Loan term.

2.5.1. All policies required by Paragraph 2.5, except for workers' compensation insurance, shall (i) be subject to the reasonable approval of Beneficiary as to the insuring companies, amount, content and forms of policies and expiration dates, (ii) with respect to the insurance referred to under Paragraphs 2.5 (b) and (c) above, contain a Non-Contributory Standard Mortgagee Clause and the Lender's Loss Payable Endorsement (Form 438 BFU NS) or their equivalents, in favor of Beneficiary, (iii) with respect to the insurance referred to under Paragraphs 2.5 (b) and (c) above, provide that the proceeds thereof shall be payable to Beneficiary (to the extent of its interest), (iv) provide that it cannot be modified or cancelled, to the extent that such modification or cancellation substantially affects the Property, or Beneficiary's interest therein, without thirty days' prior written notice to Beneficiary, and (v) be primary and non-contributory with any other insurance of Beneficiary.

2.5.2. Except for workers' compensation insurance, Trustor shall furnish to Beneficiary a certificate of each policy required under Paragraph 2.5 and, at least thirty days prior to expiration of any such policy, proof of issuance of a policy continuing in force the coverage provided by the expiring policy. In the event Trustor shall fail to maintain the insurance coverage required by this Deed of Trust, Beneficiary may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same and all amounts so advanced therefor by Beneficiary shall become an additional obligation of Trustor to Beneficiary, which amounts, together with interest thereon at the Default Rate (as defined and provided for in the Note), Trustor agrees to pay.

2.5.3. After the happening of any casualty insured against under paragraph 2.5, Trustor shall give prompt written notice thereof to Beneficiary.

2.5.4. Trustor hereby assigns to Beneficiary all casualty insurance proceeds which it may be entitled to receive and such proceeds shall be delivered to and held by Beneficiary to be applied to the restoration of any portion of the Property that has been damaged or destroyed to the same condition, character and value as existed prior to such damage or destruction so long as the following conditions have been satisfied: (i) Trustor is not in default hereunder; (ii) Beneficiary's security is not materially impaired; and (iii) Trustor deposits with Beneficiary any additional amounts necessary to accomplish such restoration. The proceeds disbursed for restoration will be released to Trustor under procedures reasonably required by Beneficiary. In the event that the above conditions are not satisfied, Beneficiary shall have the option to apply the insurance proceeds upon any indebtedness secured hereby in such order as Beneficiary may determine or release such proceeds to Trustor without such release being deemed a payment of any indebtedness secured hereby, rather than to apply such proceeds to the restoration of the Property. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. If the Property is restored at a cost less than the available



insurance proceeds and deposits, then such excess proceeds and deposits shall, if Trustor is not then in default hereunder, be paid over to Trustor.

2.5.5. In the event of the foreclosure of this Deed of Trust or other transfer of the title to the Property in extinguishment, in whole or in part, of the indebtedness secured hereby, all right, title and interest of Trustor in and to any insurance policy then in force shall pass to the purchaser or grantee to the extent that such insurance policy affects the Property.

Section 2.6. Additional Covenants. The Trustor further covenants, warrants and represents:

a. Except as required under the terms of the Lease, the Trustor will not subordinate or consent to the subordination of the Lease to any mortgage lien, encumbrance or other charge, without Beneficiary's prior written consent.

b. The Trustor shall give the Beneficiary immediate notice of any default under the Lease or of the receipt by the Trustor of any notice of default from Lessor thereunder, as the case may be, and the Trustor shall furnish the Beneficiary immediately any and all information which the Beneficiary may request concerning the performances and observance of all covenants, agreements and conditions contained in the Lease, to be kept, observed and performed and concerning the compliance with all terms and conditions of the Lease. The Trustor hereby authorizes the Beneficiary or its representatives to make investigations and examinations concerning such performance, observance and compliance, and copies of any and all notices, communications, plans, specifications or other instruments or documents received or given by the Trustor in any way relating to or affecting the interest of either Lessor or Trustor in the Real Property.

c. The Trustor shall not, without the prior express written consent of the Beneficiary, permit the fee title to the Real Property to merge with any of the leasehold estate. Trustor shall always keep such leasehold estate separate and distinct from the fee interest in the Real Property notwithstanding the union of such estate whether in Lessor, the Trustor or in a third party by purchase or otherwise; and in the case that Trustor acquires fee title or any other estate, title or interest in any of the Real Property, this Deed of Trust shall attach to and cover and be a lien upon the fee title or such other estate so acquired, and such fee title or other estate shall, without further assignment, mortgage or conveyance, become and be subject to the lien of and be covered by this Deed of Trust. The Trustor shall notify the Beneficiary of any such acquisition by the Trustor and, upon written request of the Beneficiary, shall cause to be executed and recorded all such other and farther assurances or other instruments in writing as may, in the opinion of the Beneficiary, be required to carry out the intent and meaning of this provision.

d. In the event that Lessor, or any trustee for Lessor, as the case may be, rejects the Lease, as contemplated by Subsection 365(h)(1) of the Bankruptcy Reform Act of 1978, as amended (the "Bankruptcy Code"), or as contemplated by any successor statute, successor statute, then upon such occurrence, the Trustor shall not, without the Beneficiary's express prior written consent, elect to treat the Real Property Lease or the respective leasehold estate as terminated under said Subsection 365(h)(1), and any such election made without Beneficiary's prior written consent shall be void and ineffective,

e. The Trustor shall, promptly after obtaining knowledge thereof, give written notice to the Beneficiary of any actual or contemplated filing by or against Lessor of a petition under the Bankruptcy Code, and use its best efforts to give prompt oral notice to the Beneficiary of such actual or contemplated filing. The aforesaid written notice shall set forth any information available to the Trustor concerning the date or anticipated date of such filing, the court in which such petition was filed or is expected to be filed, and the relief sought therein. The Trustor shall, promptly after receipt thereof, deliver



to the Beneficiary any and all notices, summonses, pleadings, applications and other documents received by the Trustor in connection with any such petition and any proceeding relating thereto.

ARTICLE 3
NEGATIVE COVENANTS

Section 3.1 Transfer of the Property. Trustor shall not, without the prior written consent of Beneficiary, or as otherwise permitted by the other Financing Documents, transfer pursuant to a direct sale, assignment, conveyance or sublease, whether made voluntarily or by operation of law or otherwise, and whether made with or without consideration, or contract to do so, all or any part of the Property or any legal or beneficial interest therein.

Section 3.2 Removal, Demolition or Alteration of Improvements. Except to the extent permitted by the following section or as otherwise expressly permitted in the applicable Financing Documents, no Improvements shall be removed, demolished or materially altered without the prior written consent of Beneficiary.

Section 3.3 Additional Improvements. Trustor shall not construct, demolish or alter (or permit or suffer to occur any construction, demolition or alteration of) any Improvements without the prior written consent of Beneficiary, or as otherwise permitted by the other Financing Documents. Trustor shall complete (or cause the completion of) and shall pay for, within a reasonable time, any Improvements which Trustor is permitted to construct on the Land. Trustor shall construct and erect (or cause the construction and erection of) any permitted Improvements (a) strictly in accordance with the applicable Lease, any other contracts with the applicable Lessor and all applicable laws, (b) entirely on lots or parcels of the Land, and (c) so as not to encroach upon any easement or right of way or upon the land of others.

Section 3.4 Change in Use. Without the prior written consent of Beneficiary, or as otherwise permitted by the other Financing Documents, Trustor shall not initiate, join in or consent to any change in any easement, zoning ordinance or other public or private restriction limiting or defining the uses which may be made of the Property. Trustor (a) shall promptly perform and observe, and cause to be performed and observed, all of the terms and conditions of all agreements affecting the Property, and (b) shall do or cause to be done all things reasonably necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of, or constituting any portion of, the Property.

ARTICLE 4
EVENTS OF DEFAULT

Section 4.1 Events of Default. An "Event of Default" hereunder shall mean any Event of Default as described in the Note or any other Financing Document, and the violation of any of the covenants, terms, and conditions contained in this Deed of Trust which remains uncured for a period in excess of sixty (60) days following Trustor's receipt of written notice of such violation from the Beneficiary.

Section 4.2 Acceleration Upon Default. Upon the occurrence and during the continuance of an Event of Default, Beneficiary may declare the entire unpaid principal of, and the interest accrued on, and all other amounts owed in connection with, the Obligations to be forthwith due and payable, whereupon the same shall become immediately due and payable without any protest, presentment, demand, notice of intent to accelerate, notice of acceleration or further notice of any kind, all of which are



hereby expressly waived by Trustor. Whether or not Beneficiary elects to accelerate as herein provided, Beneficiary may simultaneously, or thereafter, without any further notice to Trustor, exercise any other right or remedy provided in this Deed of Trust or otherwise existing under any other Financing Documents.

ARTICLE 5
RIGHTS AND REMEDIES

Upon the occurrence of any Event of Default as may be defined herein or in the Note, Beneficiary may declare all indebtedness secured hereby immediately due and payable and in addition to any other rights or remedies available to Beneficiary under any of the other Financing Documents or applicable law or in equity, to exercise any one or more of the following rights, powers or remedies:

Section 5.1 Rights to Realty Collateral Upon Default.

(a) Upon the occurrence and during the continuance of an Event of Default, and in addition to all other rights of Beneficiary, Beneficiary shall have the following rights and powers (but no obligation):

(i) To enter upon and take possession of any of the Realty Collateral and exclude Trustor therefrom;

(ii) To hold, use, administer, manage and operate the Realty Collateral to the extent that Trustor could do so, and without any liability to Trustor in connection with such operations; and

(iii) To the extent that Trustor could do so, to collect, receive and receipt for all geothermal power produced and sold from the Realty Collateral, to make repairs, to purchase machinery and equipment, to drill additional wells, and to exercise every power, right and privilege of Trustor with respect to the Realty Collateral.

Beneficiary may designate any person, firm, corporation or other entity to act on its behalf in exercising the foregoing rights and powers. When and if the expenses of such operation and development have been paid, and the Obligations have been paid, the Realty Collateral shall be returned to Trustor (providing there has been no foreclosure sale).

(b) Upon the occurrence and during the continuation of an Event of Default, the Trustee and/or Beneficiary, in lieu of or in addition to exercising the power of sale hereafter given, may proceed by a suit or suits, in equity or at law (i) for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, (ii) for the appointment of a receiver whether there is then pending any foreclosure hereunder or the sale of the Realty Collateral, or (iii) for the enforcement of any other appropriate legal or equitable remedy; and further, in lieu of the non-judicial power of sale hereafter given for Realty Collateral, the Trustee may proceed by suit for a sale of the Realty Collateral as a mortgage.

(c) Upon the occurrence of any Event of Default under this Deed of Trust or the Note, and if the notice of breach and election to sell, required by Chapter 107 of the Nevada Revised Statutes, be first recorded, then Trustee, its successors or assigns, on demand by Beneficiary, shall sell the Property, in order to accomplish the objects of these trusts, in the manner following, namely:



The Trustee shall first give notice of the time and place of such sale, in the manner provided by the laws of the State of Nevada for the sale of the Real Property under execution, and may from time to time postpone such sale by such advertisement as it may deem reasonable, or without further advertisement, by proclamation made to the persons assembled at the time and place previously appointed and advertised for such sale, and on the day of sale so advertised, or to which such sale may have been postponed, the Trustee may sell the Property so advertised, at public auction, at the time and place specified in the notice, either in the county in which the property, or any part thereof, to be sold, is situated, or at the principal office of the Trustee located in Douglas County; in its discretion, to the highest cash bidder, provided that Beneficiary may credit bid all sums owing under the Note or otherwise due and payable to Beneficiary hereunder or under the terms of the Note. The Beneficiary or the holder or holders of the Note secured hereby, may bid and purchase at such sale. The Beneficiary may, after recording the notice of breach and election, waive or withdraw the same or any proceedings thereunder, and shall thereupon be restored to its former position and have and enjoy the same rights as though such notice had not been recorded.

(d) The Trustee, upon such sale, shall make (without warranty or recourse), execute and, after due payment made, deliver to purchaser or purchasers, his or their heirs or assigns, a deed or deeds (or where applicable a bill of sale or bills of sale) of the Property so sold which shall convey to the purchaser all the title of the Trustor in the Property, and shall apply the proceeds of the sale thereof in payment, firstly, of the expenses of such sale, together with the reasonable expenses of the trust, including, but not limited to, Trustee's Sale, and counsel fees, in a reasonable amount, which shall become due upon any default made by Trustor in any of the payments aforesaid; and also such sums, if any, as Trustee or Beneficiary shall have paid, for procuring a search of the title to the Property, or any part thereof, subsequent to the execution of the Deed of Trust; and in payment, secondly, in reduction of the Note.

(e) In the event of a sale of the Property conveyed or transferred in trust, or any part thereof, and the execution of a deed or deeds therefor under such trust, the recital therein of default, and of recording notice of breach and election of sale, and of the elapsing of the period required by law, and of the giving of notice of sale, and of a demand by Beneficiary that such sale should be made, shall be conclusive proof of such default, recording, election, elapsing of time, and of the due giving of such notice, and that the sale was regularly and validly made on due and proper demand by Beneficiary; and any such deed or deeds with such recitals therein shall be effectual and conclusive against Trustor, its successors and assigns, and all other persons; and the receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid shall be sufficient discharge to such purchaser from all obligation to see to the proper application of the purchase money, according to the trusts aforesaid and in addition to any other remedy.

(f) Trustor does hereby ratify and confirm all legal acts that the Trustee may do in carrying out the Trustee's duties and obligations under this Deed of Trust, and Trustor hereby irrevocably appoints Beneficiary to be the attorney-in-fact of Trustor and in the name and on behalf of Trustor to execute and deliver any deeds, transfers, conveyances, assignments, assurances and notices which Trustor ought to execute and deliver and do and perform any and all such acts and things which Trustor ought to do and perform under the covenants herein contained and generally to use the name of Trustor in the exercise of all or any of the powers hereby conferred on Trustee. Upon any sale, whether under the power of sale hereby given or by virtue of judicial proceedings, it shall not be necessary for Trustee or any public officer acting under execution or by order of court, to have physically present or constructively in its possession any of the Realty Collateral, and Trustor hereby agrees to deliver to the purchaser or purchasers at such sale on the date of sale the Realty Collateral purchased by such purchasers at such sale and if it should be impossible or impracticable to make actual delivery of such Realty Collateral, then the



title and right of possession to such Realty Collateral shall pass to the purchaser or purchasers at such sale as completely as if the same had been actually present and delivered.

(g) Upon any sale made under the power of sale herein granted, the receipt of the Trustee will be sufficient discharge to the purchaser or purchasers at any sale for its purchase money, and such purchaser or purchasers, will not, after paying such purchase money and receiving such receipt of the Trustee, be obligated to see to the application of such purchase money or be responsible for any loss, misapplication or non-application thereof.

(h) Any sale or sales of the Realty Collateral will operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of Trustor in and to the premises and the Realty Collateral (and any Personalty) sold, and will be a perpetual bar, both at law and in equity, against Trustor, Trustor's successors or assigns, and against any and all persons claiming or who shall thereafter claim all or any of the Realty Collateral (and any Personalty) sold by, through or under Trustor, or Trustor's successors or assigns. Nevertheless, if requested by the Trustee so to do, Trustor shall join in the execution and delivery of all proper conveyances, assignments and transfers of the Property so sold. The purchaser or purchasers at the foreclosure sale will receive as incident to its, her, its or their own ownership, immediate possession of the Realty Collateral (and any Personalty) purchased and Trustor agrees that if Trustor retains possession of the Realty Collateral (and any Personalty) or any part thereof subsequent to such sale, Trustor will be considered a tenant at sufferance of the purchaser or purchasers and will be subject to eviction and removal by any lawful means, with or without judicial intervention, and all damages by reason thereof are hereby expressly waived by Trustor.

(i) Trustor agrees, to the full extent that Trustor may lawfully so agree, that Trustor will not at any time insist upon or plead or in any manner whatever claim the benefit of any appraisal, valuation, stay, extension or redemption law, now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Deed of Trust, the absolute sale of the Property, including the Realty Collateral (or any Personalty), or the possession thereof by any purchaser at any sale made pursuant to this Deed of Trust or pursuant to the decree of any court of competent jurisdiction; and Trustor, for Trustor and all who may claim through or under Trustor, hereby waives the benefit of all such laws and, to the extent that Trustor may lawfully do so under any applicable law, any and all rights to have the Property, including the Realty Collateral (and any Personalty), marshaled upon any foreclosure of the Lien hereof or sold in inverse order of alienation.

Section 5.2 Collection of Rents. Beneficiary shall have the right to (a) take possession of any or all of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, (b) collect all Rent from the Property and apply the proceeds against the sums due under, or secured by, this Deed of Trust in accordance with the other Financing Documents, and (c) exercise all other rights with respect to the Property described in this Deed of Trust. Trustor hereby appoints Beneficiary as Trustor's attorney-in-fact with full power of substitution, which appointment shall take effect upon the occurrence and during the continuance of an Event of Default and is coupled with an interest and, subject to a cure of such Event of Default in accordance with the terms of the applicable Financing Document, is irrevocable prior to the full, final and indefeasible payment and performance of the Secured Obligations, in Trustor's name or in Beneficiary's name: (i) to endorse all checks and other instruments received in payment of Rents and to deposit the same in the accounts of Beneficiary; (ii) to give receipts and releases in relation thereto; (iii) to institute, prosecute and/or settle actions for the recovery of Rents; (iv) to modify the terms of any agreements relating to the Rents payable thereunder; and (v) to do, to the extent permitted by applicable law, all other acts and things with respect to the Rents which Beneficiary may deem necessary or desirable to preserve and protect its rights hereunder.



Section 5.3 Appointment of Receiver. As a matter of right without regard to the adequacy of the security, and to the extent permitted by applicable law, without notice to Trustor, Beneficiary shall be entitled, upon application to a court of competent jurisdiction, to the immediate appointment of a receiver for all or any part of the Property and the Rents, whether such receivership may be incidental to a proposed sale of the Property or otherwise, and Trustor hereby consents to the appointment of such a receiver and agrees that such receiver shall have all of the rights and powers granted to Beneficiary pursuant to Section 5.2. In addition, to the extent permitted by applicable law, and with or without the appointment of a receiver, or an application therefor, Beneficiary may (a) enter upon, and take possession of (and Trustor shall surrender actual possession of), the Property or any part thereof, without notice to Trustor and without bringing any legal action or proceeding, or, if necessary by force, legal proceedings, ejectment or otherwise, and (b) remove and exclude therefrom the Trustor, its Affiliates and the agents, representatives, contractors and employees of Trustor or of any of its Affiliates.

Section 5.4 Management of the Property. Upon obtaining possession of the Property or upon the appointment of a receiver as described in Section 5.3, Beneficiary or the receiver, as the case may be, may, at its sole option, (a) make all necessary or proper repairs to or upon the Property, (b) develop, use, occupy, operate, maintain, control, make secure and preserve the Property, and (c) complete the construction of any unfinished Improvements on the Property and, in connection therewith, continue any and all outstanding contracts for the erection and completion of such Improvements and make and enter into any further contracts which may be necessary, either in their or its own name or in the name of Trustor (and the costs of completing such Improvements shall be expenses secured by this Deed of Trust and shall accrue interest as provided in the applicable Financing Documents). Beneficiary or such receiver shall be under no liability for, or by reason of, any such taking of possession, entry, holding, removal, maintaining, development, use, control, operation or management, except for its gross negligence or willful misconduct (as finally determined by a court of competent jurisdiction and after the exhaustion of all available appeals). The exercise of the remedies provided in this Article 5 shall not cure or waive any Event of Default, and the enforcement of such remedies, once commenced, shall continue for so long as Beneficiary shall elect, notwithstanding the fact that the exercise of such remedies may have, for a time, cured the original Event of Default.

Section 5.5 Uniform Commercial Code. Beneficiary may proceed under the Nevada Uniform Commercial Code as to all or any part of the Personalty, and in conjunction therewith may exercise all of the rights, remedies and powers of a secured creditor under the Uniform Commercial Code. Upon the occurrence and during the continuation of any Event of Default, Trustor shall assemble all of the Accessories and make the same available within the Improvements. Any notification required by the Nevada Uniform Commercial Code shall be deemed reasonably and properly given if sent in accordance with the notice provisions of this Deed of Trust at least ten (10) business days before any sale or other disposition of the Personalty. As between Trustor and Beneficiary, disposition of the Personalty shall be deemed commercially reasonable if made pursuant to a public sale advertised at least twice in a newspaper of general circulation in the community where the Property is located. As between Trustor and Beneficiary, it shall be deemed commercially reasonable for the Beneficiary to dispose of the Personalty without giving any warranties as to the Personalty and specifically disclaiming all disposition warranties. Alternatively, Beneficiary may choose to dispose of some or all of the Property, in any combination consisting of both Personalty and Real Property, in one sale to be held in accordance with applicable law and procedures applicable to real property, as permitted by Article 9 of the Nevada Uniform Commercial Code. To the extent permitted by applicable law, Trustor agrees that such a sale of Personalty together with Real Property constitutes a commercially reasonable sale of the Personalty.

Section 5.6 Application of Proceeds. Unless otherwise provided by applicable law, all proceeds from the sale of the Property or any part thereof pursuant to the rights and remedies set forth in



this Article 5 and any other proceeds received by Beneficiary from the exercise of any of its other rights and remedies hereunder or under the other applicable Financing Documents shall be applied first to pay all expenses of collection and enforcement and next in reduction of Trustor's other obligations under the applicable Financing Documents and this Deed of Trust.

Section 5.7 Liability of Beneficiary. Beneficiary is hereby absolved from all liability for failure to enforce collection of any of such proceeds, and from all other responsibility in connection therewith except the responsibility to account to Trustor for proceeds actually received by Beneficiary.

Section 5.8 Deficiency Judgment. If permitted by applicable law Beneficiary may obtain a judgment for any deficiency remaining in the indebtedness or other obligations due Beneficiary after application of all amounts received from the exercise of rights provided in this Article 5.

Section 5.9 Other Remedies. Beneficiary shall have the right from time to time to protect, exercise and enforce any legal or equitable remedy against Trustor provided in this Deed of Trust.

Section 5.10 Attorneys' Fees and Expenses. If Beneficiary institutes any suit or action to enforce any of the terms of this Deed of Trust, Beneficiary shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and on any appeal.

ARTICLE 6 GENERAL PROVISIONS

Section 6.1 Rights, Powers and Remedies Cumulative. Each right, power and remedy of Beneficiary provided in this Deed of Trust, the other Financing Documents or any related documents, or now or hereafter existing by law, shall be cumulative and concurrent and shall be in addition to every other right, power or remedy available to Beneficiary, and the exercise or beginning of the exercise by Beneficiary of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by Beneficiary of any or all such other rights, powers or remedies.

Section 6.2 No Waiver by Beneficiary. No course of dealing or conduct by or between Beneficiary and Trustor shall be effective to amend, modify or change any provisions of this Deed of Trust, the other Financing Documents or any related documents. No failure or delay by Beneficiary to insist upon the strict performance of any term, covenant or agreement of this Deed of Trust, the other Financing Documents or any related documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, covenant or agreement or of any such breach, or preclude Beneficiary from exercising any such right, power or remedy at any later time or times. By accepting payment or performance from Trustor after the due date of any such payment or performance, Beneficiary shall not be deemed to waive the right either to require prompt payment when due of all other obligations of Trustor under the Financing Documents, this Deed of Trust or any related documents, or to declare an Event of Default for failure to make prompt payment or performance, as applicable, of any such other obligations. Neither Trustor nor any other person or entity now or hereafter obligated for the payment and performance of the whole or any part of the Secured Obligations shall be relieved of such liability by reason of (a) the failure of Beneficiary to comply with any request of Trustor or of any other person or entity to take action to foreclose this Deed of Trust or otherwise enforce any of the provisions of this Deed of Trust, or (b) any agreement or stipulation between any subsequent owner or owners of the Property and Beneficiary, or (c) Beneficiary's extending the time of payment or performance or modifying the terms of this Deed of Trust, the other Financing Documents or any related documents without first having obtained the consent of Trustor or such other person or entity.



Section 6.3 Waivers and Agreements Regarding Remedies. To the full extent Trustor may do so, Trustor hereby:

(a) agrees that it will not at any time plead, claim or take advantage of any laws now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, and waives and releases all rights of redemption, valuation, appraisal, stay of execution, extension and notice of election to accelerate;

(b) waives all rights to a marshalling of the assets of Trustor, including, without limitation, the Property, or to a sale in the inverse order of alienation in the event of a foreclosure of the Property, and agrees not to assert any right under any law pertaining to the marshalling of assets, the sale in inverse order of alienation or other matters whatsoever to defeat, reduce or affect the right of Beneficiary under the terms of this Deed of Trust to a sale of the Property without any prior or different resort for collection, or the right of Beneficiary to payment out of the proceeds of sale of the Property in preference to every other claimant whatsoever;

(c) waives any right to bring or utilize any defense, counterclaim or setoff, other than one which denies the existence or sufficiency of the facts upon which any foreclosure action is grounded. If any defense, counterclaim or setoff, other than one permitted by the preceding clause, is timely raised in a foreclosure action, such defense, counterclaim or setoff shall be dismissed. If such defense, counterclaim or setoff is based on a claim which could be tried in an action for money damages, such claim may be brought in a separate action which shall not thereafter be consolidated with the foreclosure action. The bringing of such separate action for money damages shall not be deemed to afford any grounds for staying the foreclosure action; and

(d) waives and relinquishes any and all rights and remedies which Trustor may have or be able to assert by reason of the provisions of any laws pertaining to the rights and remedies of sureties.

Section 6.4 Successors and Assigns. All of the grants, covenants, terms, provisions and conditions of this Deed of Trust shall run with the Land and shall apply to and bind the successors and assigns of Trustor (including, without limitation, any permitted subsequent owner of the Property), and inure to the benefit of Beneficiary and its successors and assigns.

Section 6.5 No Warranty by Beneficiary. By inspecting the Property or by accepting or approving anything required to be observed, performed or fulfilled by Trustor or to be given to Beneficiary pursuant to this Deed of Trust, the other Financing Documents or any related documents, Beneficiary shall not be deemed to have warranted or represented the condition, sufficiency, legality, effectiveness or legal effect of the same, and such acceptance or approval shall not constitute any warranty or representation with respect thereto by Beneficiary.

Section 6.6 Amendments. This Deed of Trust may not be modified or amended except by an agreement in writing, signed by Trustor and Beneficiary.

Section 6.7 Severability. In the event any one or more of the provisions of this Deed of Trust shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any other respect, then, at the option of Beneficiary, such provision or provisions only shall be deemed null and void and shall not affect the validity of the remaining provisions of this Deed of Trust, which shall remain operative and in full force and effect and shall in no way be affected, prejudiced or disturbed thereby.



Section 6.8 Notices. All notices required or permitted to be given hereunder shall be in writing and delivered in person to the individual to whom it is addressed, or sent certified or registered mail, postage prepaid, return receipt requested, or by fax or similar method of electronic transmission (provided appropriate confirmation of transmission documentation is retained and that a copy of the written document is also sent via U.S. mail) to the addresses of Beneficiary and Trustor set forth in the first paragraph of this Deed of Trust or to such other address as may be provided, in writing, to the other party as required herein. Any notice to be given herein shall be deemed given three business days after the date of deposit thereof in the U.S. mail, by certified mail, return receipt requested, postage prepaid, addressed to the applicable individual(s) at the address(es) provided and on the day of confirmation of receipt if sent by another method permitted hereunder.

Section 6.9 Rules of Construction. The words "hereof," "herein," "hereunder," "hereto," and other words of similar import refer to this Deed of Trust in its entirety. The headings of this Deed of Trust are for convenience of reference only and shall not be considered a part hereof and are not in any way intended to define, limit or enlarge the terms hereof. Any term used or defined in the Uniform Commercial Code of the State, as in effect from time to time, which is not defined in this Deed of Trust shall have the meaning ascribed to that term in the Uniform Commercial Code of the State. If a term is defined in Article 9 of the Uniform Commercial Code of the State differently than in another Article of the Uniform Commercial Code of the State, the term shall have the meaning specified in Article 9.

Section 6.10 Governing Law. This Deed of Trust shall be construed, governed and enforced in accordance with the laws in effect from time to time in the State of Nevada.

Section 6.11 Successor Trustees. The Trustee may resign in writing addressed to Beneficiary or be removed at any time with or without cause by an instrument in writing duly executed by Beneficiary. In case of the death, resignation or removal of the Trustee, a successor Trustee may be appointed by Beneficiary by instrument of substitution complying with any applicable requirements of law, and in the absence of any requirement, without other formality other than an appointment and designation in writing. The appointment and designation will vest in the named successor Trustee all the estate and title of the Trustee in all of the Collateral and all of the rights, powers, privileges, immunities and duties hereby conferred upon the Trustee. All references herein to the Trustee will be deemed to refer to any successor Trustee from time to time acting hereunder.

Section 6.12 Duties of Trustee. It shall be no part of the duty of the Trustee to see to any recording, filing or registration of this Deed of Trust or any other instrument in addition or supplemental hereto, or to see to the payment of or be under any duty with respect to any tax or assessment or other governmental charge which may be levied or assessed on the Property, any part thereof, or against Trustor, or to see to the performance or observance by Trustor of any of the covenants and agreements contained herein. Trustee shall not be responsible for the execution, acknowledgment or validity of this Deed of Trust or of any instrument in addition or supplemental hereto or for the sufficiency of the security purported to be created hereby, and makes no representation in respect thereof or in respect of the rights of Beneficiary. Trustee shall have the right to seek the advice of counsel upon any matters arising hereunder and shall be fully protected in relying as to legal matters on the advice of counsel. Trustee shall not incur any personal liability hereunder except for Trustee's own willful misconduct; and the Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by him hereunder, believed by him in good faith to be genuine.

Section 6.13 Entire Agreement. This Deed of Trust, the other Financing Documents and the related documents constitute the entire understanding and agreement between Trustor and Beneficiary



with respect to the Secured Obligations, and supersede all prior written or oral understandings and agreements between Trustor and Beneficiary with respect to the matters addressed herein and therein. In particular, and without limitation, the terms of any commitment by Beneficiary to enter into the transactions contemplated by the Financing Documents are merged herein and therein. Except as incorporated in writing into this Deed of Trust, the other Financing Documents and any related documents, there are no representations, understandings, stipulations, agreements or promises, oral or written, with respect to the matters addressed herein and therein.

Section 6.14 Definition of Financing Documents. For purposes of this Deed of Trust, the term "Financing Document" means the following documents entered into by the Trustor (or its affiliates) and the Beneficiary": (i) Offer to Purchase; (ii) Business Loan Agreement; (iii) Promissory Note; (iv) Commercial Pledge Agreement; (v) Commercial Guaranty; and the Lease.

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EXECUTED AND DELIVERED effective as of the date first written above.

TRUSTOR:

Tahoe Silver Star, Inc.,
a Nevada corporation,
as Trustor

By: *[Signature]*
Name: Michael P. Murphy
Title: President

THE STATE OF NEVADA)
) :ss
COUNTY OF Washoe)

This instrument was acknowledged before me on this 15th day of December, 2011, by Michael P. Murphy, the President of Tahoe Silver Star, Inc., a Nevada corporation, for and on behalf of said corporation.

Heidi Kurasewich
Notary Public





EXHIBIT A-1

DESCRIPTION OF LEASE

That certain leasehold interest in the real property located in the County of Douglas, State of Nevada, commonly known as 148 U.S. Highway 50, Stateline, Nevada, Assessor's Parcel Number 1318-22-002-014, together with all buildings, structures and all other improvements and fixtures that are, or that may be hereafter erected or placed thereon or therein, and all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the rents, issues, profits and income thereof (collectively the "Leasehold Real Property"), subject, however to the absolute assignment given to Beneficiary in Section 11 hereof, and to which Section this grant to the Trustee is subject and subordinate, and all the estate, right, title, property, possession, interest or other claim or demand, in law or in equity which Trustor now has or may hereafter acquire in or to the said Leasehold Real Property, or any part thereof, with appurtenances, including, but not limited to, all right, title and interest which Trustor now has or may hereafter obtain under the following lease agreement:

That certain Ground Lease Agreement dated January 15, 1976, by and between Mary Hansen (referred to herein, together with her successors and assigns as "Lessor"), as Lessor, and Leroy I. Athenour, as Lessee (the "Lease"),

(i) as assigned to Michael E. Francoeur and Stephen E. Grantor by that certain Assignment of Ground Lease Agreement dated May 15, 1989, and recorded in the Official Records of Douglas County, Nevada as Document 202286, on May 19, 1989, Book 589 at Page 2431;

(ii) as assigned to Vintage Wine & Spirits, Inc. by that certain Assignment of Ground Lease Agreement dated December 15, 2005, and recorded in the Official Records of Douglas County, Nevada as Document 0663593, on December 16, 2005, Book 1205 at Page 7707;

(iii) as acquired by Celtic Bank by virtue of that certain Trustee's Deed Upon Sale dated November 28, 2011 and recorded November 28, 2011 as Document No. 793239, Book 1111 at Page 5783, in the Official Records of Douglas County, Nevada

All references herein to the Lease herein shall be to the Lease as assigned by the Assignments and as it may hereafter be extended, renewed, restated, amended or otherwise modified.

Together with any and all other rights pertaining to or appurtenant to the said Leasehold Real Property and the interests of Trustor therein whether now owned or hereafter acquired.

Together with all water rights and rights to the use of water that are flow or that may be hereinafter used in connection with the said Leasehold Real Property or any part thereof, or any improvements or appurtenances thereto.

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining and the reversion and reversions, remainder and remainders thereof and all the estate, right, title and interest which the Trustor now has or hereafter may acquire of, in and to the Leasehold Real Property, or any part thereof, with the appurtenances.



**EXHIBIT A-2
DESCRIPTION OF THE LAND**

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF NEVADA, COUNTY OF DOUGLAS, AND IS DESCRIBED AS FOLLOWS:

A PARCEL OF LAND BEING A PORTION OF AND SITUATED IN THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 27; AND SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 22, TOWNSHIP 13 NORTH, RANGE 18 EAST, M.D.B. & M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:, TO-WIT:

BEGINNING AT A POINT ON THE WEST SIDE OF THE HIGHWAY RIGHT-OF-WAY LINE CREATED BY DEED RECORDED OCTOBER 23, 1935, IN BOOK U OF DEEDS, PAGE 110, DOUGLAS COUNTY, NEVADA, RECORDS, SAID POINT BEING DESCRIBED AS BEARING OF SOUTH 60°13' WEST, A DISTANCE OF 127.20 FEET FROM THE SECTION CORNER COMMON TO SECTIONS 22, 23, 26 AND 27, TOWNSHIP 13 NORTH, RANGE 18 EAST, M.D.B. & M.; SAID POINT ALSO BEING FURTHER DESCRIBED AS THE SOUTHEAST CORNER OF THE PARCEL OF LAND CONVEYED TO JOHN PALADY, ET UX, IN DEED RECORDED APRIL 8, 1957, IN BOOK C-1 OF DEEDS, PAGE 343, DOCUMENT NO. 12128, DOUGLAS COUNTY, NEVADA, RECORDS;

THENCE NORTH 61°00' WEST, A DISTANCE OF 220 FEET TO A POINT; SAID POINT BEING THE SOUTHWESTERLY CORNER OF THE PARCEL OF LAND CONVEYED TO CHARLES T. RIVERS, ET UX, IN DEED RECORDED MAY 10, 1960, IN BOOK 2, PAGE 293, DOCUMENT NO. 15994, OFFICIAL RECORDS OF DOUGLAS COUNTY, NEVADA;

THENCE NORTH 18°24'08" EAST, A DISTANCE OF 121.97 FEET, MORE OR LESS, TO THE SOUTHWESTERLY LINE OF THE PARCEL OF LAND CONVEYED TO H.L. HAYNES, ET UX, IN DEED RECORDED JANUARY 9, 1958, IN BOOK C-1 OF DEEDS, PAGE 61, DOCUMENT NO. 12864, DOUGLAS COUNTY, NEVADA, RECORDS;

THENCE SOUTH 61°00' EAST, A DISTANCE OF 50.00 FEET TO A POINT;

THENCE SOUTH 18°24'08" WEST, A DISTANCE OF 12.73 FEET TO A POINT;

THENCE SOUTH 61°00' EAST, A DISTANCE OF 186.10 FEET TO A POINT ON THE WEST LINE OF SAID HIGHWAY RIGHT-OF-WAY LINE; SAID POINT BEING FURTHER DESCRIBED AS THE MOST SOUTHERLY CORNER OF THE PARCEL OF LAND CONVEYED TO FRANK A. RICH, ET UX, IN DEED RECORDED JUNE 24, 1959, IN BOOK E-1 OF DEEDS, PAGE 288, DOUGLAS COUNTY, NEVADA, RECORDS;

THENCE SOUTHWESTERLY ALONG THE WESTERLY SIDE OF SAID HIGHWAY RIGHT-OF-WAY LINE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2460 FEET, AN ARC DISTANCE OF 107.5 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM FROM ALL THAT PORTION OF THE ABOVE-DESCRIBED PARCEL OF LAND WHICH WAS CONVEYED TO CHARLES T. RIVERS, ET UX., IN DEED RECORDED MAY 10, 1960, IN BOOK 2, PAGE 293, DOCUMENT NO. 15994, OFFICIAL RECORDS.

THE ABOVE METES AND BOUNDS DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN DOCUMENT RECORDED MAY 19, 1989 IN BOOK 589, PAGE 2431 AS DOCUMENT NO. 202286 OF OFFICIAL RECORDS.