



KAREN ELLISON, RECORDER

32  
APNS: 1318-22-002-010

Recording requested by and  
when recorded return to:

✓  
Feldman McLaughlin Thiel LLP  
Attn: Michael J. McLaughlin  
P.O. Box 1309  
Zephyr Cove, NV 89448

Space above this line reserved for Recorder's use

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

THIS DEED OF TRUST ALSO CONSTITUTES AND IS FILED AS A FIXTURE FILING UNDER THE NEVADA UNIFORM COMMERCIAL CODE.

This Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing (this "**Deed of Trust**") is made as of the date of the signature below by TAHOE RETAIL, LLC, a limited liability company, whose address is P.O. Box 5640, Stateline, NV 89449 ("**Trustor**"), to FIRST AMERICAN TITLE INSURANCE COMPANY, whose address is 276 Kingsbury Grade Road, # 2001, Stateline, NV 89449 ("**Trustee**"), for the benefit of RICHARD J. JEHA AND SELWA A. JEHA, TRUSTEES OF THE JEHA FAMILY TRUST UTD December 16, 1993, whose address is 211 Valley Oaks Drive, Alamo, CA 94507 ("**Beneficiary**").

Trustor does hereby irrevocably grants, bargains, sells, and conveys to Trustee in trust, for the benefit of Beneficiary, WITH POWER OF SALE AND RIGHT OF ENTRY AND POSSESSION, all of Trustor's right, title and interest in to and under that certain real property (the "**Land**") in the County of Douglas, State of Nevada, described in Exhibit A attached hereto and by this reference incorporated herein, together with building improvements, storage facilities and fixtures now or hereafter located on the Land (collectively, the "**Improvements**") now or hereafter erected thereon, including, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to such buildings and improvements, which are, together with all of the following, herein collectively called the "**Property**:"

(a) all interests, estates or other claims, both in law and in equity, which Trustor now has or may hereafter acquire in the Property.

(b) all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto, and all water rights and shares of stock evidencing the same.

(c) all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property; and any and all sidewalks, alleys, and strips and gores of land adjacent to or used in connection with the Property.

(d) all right, title and interest of Trustor in and to all personal property now or hereafter owned by Trustor and now or at any time hereafter located on or at the Property or used in connection therewith, including, all goods, machinery, tools, insurance proceeds, equipment (including fire sprinklers and alarm systems, air conditioning, heating, refrigerating, electronic monitoring, window or structural cleaning rigs, maintenance, and all other equipment of every kind), and all other indoor and outdoor

Trustor's Initials: MF NSA

furniture, rugs, carpets, and other floor coverings, all inventory related to Trustor's operation of the Property, draperies, drapery rods and brackets, awnings, window shades, venetian blinds, curtains, lamps, chandeliers and other lighting fixtures, and office maintenance and other supplies and all proceeds thereof.

(e) all right, title, and interest of Trustor in the funds deposited pursuant to Section 1.07 hereof.

(f) all the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire in the Property irrespective, in the case of insurance, of whether Trustor was required to obtain and maintain such insurance by Beneficiary or whether Beneficiary is named as an additional insuree or loss payee, and any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of the Property, including any awards resulting from a change of grade of streets and awards for severance damages.

(g) any and all existing and future leases (including subleases thereof), whether written or oral, rental agreements and all future agreements for use and occupancy, and any and all extensions, renewals and replacements thereof, upon all or relating to any part of the Property, all licenses and agreement relating to the management, leasing or operation of the Property or any portion thereof, and all guarantees of and security for lessee's performance thereunder (collectively, the "**Leases**").

(h) the immediate and continuing right to collect and receive all of the rents, fees, charges, accounts, income, receipts, revenues, issues, profits and other income or other payments of any nature now due or which may become due or to which Trustor may now or shall hereafter (including any income of any nature coming due during any redemption period) become entitled to or may make demand or claim for, arising or issuing from or out of the Leases or from or out of the Property or any part thereof, including deposits, rents, tax and insurance contributions, and liquidated damages following default in any Lease, all accounts and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the Property, together with any and all rights and claims of any kind which Trustor may have against any tenant under the Leases or any subtenants or occupants of the Property (collectively, "**Rent Payments**").

(i) all plans, specifications, contracts, agreements and purchase orders pertaining or incidental to the design or construction of any Improvements.

(j) all of Trustor's rights under any payment, performance or other bond in connection with construction of Improvements, and all construction materials, supplies and equipment delivered to the Property or intended to be used in connection with the construction of Improvements wherever actually located, and all architectural drawings, plans, specifications, soil tests, feasibility studies, appraisals, engineering reports and similar materials relating to the Property.

(k) all contracts and rights pertaining to or affecting the Property including all options or contracts to acquire other property for use in connection with operation or development of the Property, deposits, bank accounts, contract rights, accounts, general intangibles (including trademarks, trade names and symbols), permits, licenses, franchises and certificates.

(l) all commitments or agreements, now or hereafter in existence, intended by the obligor thereof to provide Trustor funds to repay Beneficiary or improve the Property and the right to receive all proceeds due under such commitments or agreements including refundable deposits and fees.

(m) all books, records, surveys, reports, and other documents related to the Property or construction or operation of the Property.

(n) all governmental permissions, environmental clearances, authority to subdivide the Property, rights, licenses and permits as are necessary for the commencement, continuation, completion, occupancy, use and disposition of all or any portion of the Property.

(o) all land coverage, residential units of use, tourist accommodation units of use, commercial floor area, development rights, building allocations and all other development entitlements recognized by the Tahoe Regional Planning Agency or any other regulatory agency having jurisdiction over the Land whether such entitlements are allowable, existing or banked on the Land (collectively, the "Development Entitlements").

(p) all other personal property of Trustor located on the Property and wherever located and relating in any way whatsoever to the Property and whether now owned or hereafter acquired or created, including equipment, inventory, goods, documents, instruments, general intangibles, chattel paper, accounts, deposit accounts and contract rights, as all such terms are used in the Nevada Uniform Commercial Code (the "UCC") and all other fixtures of Trustor now owned or hereafter in existence or hereafter acquired or created on, of or relating to the Real Property, and all substitutions, replacements, additions, accessions and proceeds (including insurance proceeds) of all of the foregoing.

Subject, however, to the license hereby granted by Beneficiary to Trustor, but limited as hereinafter provided, to collect and receive all of the Rent Payments.

The entire estate, property, and interest hereby conveyed to Trustee is sometimes referred to herein as the "Trust Estate."

**FOR THE PURPOSE OF SECURING:**

1. Performance by LAKESIDE INN, INC., a Nevada corporation ("**Borrower**") of all of its obligations, including without limitation payment of all indebtedness, evidenced by that certain promissory note secured by deed of trust dated of even date herewith and executed by Borrower in favor of Beneficiary in the principal amount of Five Million Seven Hundred Thousand Dollars (\$5,700,000.00) (the "**Note**"), with interest thereon, as provided therein and all prepayment charges, late charges and loan fees thereunder, and any and all amendments, modifications, extensions and renewals thereof.
2. Payment and performance of all obligations of Borrower under the Note, including payment of all sums which may become due from Borrower or advances by Beneficiary or its successor, with interest thereon at the Default Rate (as defined herein).
3. Payment and performance of all of the obligations of Borrower under the other Loan Documents (as hereinafter defined).
4. Payment of all other indebtedness, with interest thereon, which may hereafter be loaned to Borrower, its successors, or assigns, by Beneficiary, when evidenced by a promissory note or other document, instrument or agreement reciting that it is secured by this Deed of Trust.

This Deed of Trust, the Note, that certain Deed of Trust, Assignment of Rents and Agreements, Security Agreement and Fixture Filing of even date herewith executed by Lakeside Inn, Inc., as trustor, to Trustee for the benefit of Beneficiary hereunder, and any other document, instrument or agreement given to evidence or further secure the payment or performance of any obligation secured hereby may hereafter

be referred to as the "Loan Documents," the terms and conditions of which are incorporated herein by this reference.

**ARTICLE I  
COVENANTS AND AGREEMENTS OF TRUSTOR**

Trustor hereby covenants and agrees:

1.01 INTENTIONALLY OMITTED

1.02 Maintenance of the Property. The Property shall be maintained in good condition at all times. Trustor shall promptly make all necessary repairs, replacements, and renewals so that the value of the Property shall be maintained. Trustor shall not commit or permit any waste on the Property. Trustor shall comply with all laws, ordinances, regulations, and private restrictions affecting the Property. Trustor shall maintain and operate the Property in such manner as to prevent deterioration of the Land and Improvements, including fences, except for reasonable wear and tear from proper use. Trustor shall not demolish or remove any improvements from the Property, nor shall Trustor sell, assign, transfer or convey any Development Entitlements from the Land, without the written consent of Beneficiary.

1.03 Required Insurance. Trustor shall at all times provide, maintain, and keep in force, or cause to be provided, maintained, and kept in force, the following policies of insurance:

(a) Insurance against loss or damage to Improvements by fire and any of the risks covered by insurance of the type now known as "broad form of extended coverage," in an amount not less than one hundred percent (100%) of the full replacement cost of the Improvements (exclusive of the cost of excavations, foundations, and footings below the lowest basement floor), each of which policies of insurance carried in accordance with this subparagraph (a) shall contain the "Replacement Cost Endorsement";

(b) Insurance against loss or damage to the Personal Property by fire and other risks covered by insurance of the type now known as "broad form of extended coverage"; and

(c) Such other insurance and in such amounts as may, from time to time, be reasonably required by Beneficiary against the same or other hazards, including earthquake insurance, business interruption insurance or insurance covering loss of rents and flood insurance where applicable.

All policies of insurance required by the terms of this Deed of Trust shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Trustor which might otherwise result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of set-off, counterclaim, or deductions against Trustor.

1.04 Delivery of Policies; Payment of Premiums; Proceeds.

(a) All policies of insurance shall be issued by companies and in amounts in each company satisfactory to Beneficiary. All policies of insurance shall have attached thereto a lender's loss payable endorsement for the benefit of Beneficiary in form satisfactory to Beneficiary. Trustor shall furnish Beneficiary with an original policy (or certificate of insurance if acceptable to Beneficiary) of all policies of required insurance. If Beneficiary consents to Trustor providing any of the required insurance through blanket policies carried by Trustor and covering more than one (1) location, then Trustor shall

furnish Beneficiary with a certificate of insurance for each such policy setting forth the coverage, the limits of liability, the name of the carrier, the policy number, and the expiration date.

(b) At least thirty (30) days prior to the expiration of each such policy, Trustor shall furnish Beneficiary with evidence satisfactory to Beneficiary of the payment of premium and the reissuance of a policy continuing insurance in force as required by this Deed of Trust. All such policies shall contain a provision that such policies will not be canceled or materially amended, which term shall include any reduction in the scope or limits of coverage, without at least thirty (30) days' prior written notice to Beneficiary. In the event Trustor fails to provide, maintain, keep in force, or deliver and furnish to Beneficiary the policies or certificates of insurance required by this Section, Beneficiary may procure such insurance or single-interest insurance for such risks covering Beneficiary's interest, and Trustor will pay all premiums thereon promptly upon demand by Beneficiary and, until such payment is made by Trustor, the amount of all such premiums shall be secured by this Deed of Trust.

(c) In the event of loss, Trustor shall immediately notify Beneficiary, who may make proof of loss if it is not made promptly by Trustor. Proceeds shall be paid directly to Beneficiary who may compromise with any insurance company and make a final settlement which shall be binding upon Trustor. The proceeds shall be applied as set forth in Section 1.15.

1.05 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Deed of Trust or other transfer of title or assignment of the Trust Estate in extinguishment, in whole or in part, of the debt secured hereby, all right, title, and interest of Trustor in and to all policies of insurance required by Section 1.03 shall inure to the benefit of and pass to the successor in interest to Trustor or the purchaser or grantee of the Trust Estate.

1.06 Indemnification; Subrogation; Waiver of Offset.

(a) Trustor shall indemnify, protect, defend and hold harmless Beneficiary from and against all claims, demands, liabilities, losses, costs and damages arising out of this Deed of Trust or the Trust Estate or any part thereof or interest therein or occupancy or use thereof by Trustor.

(b) Trustor waives any and all right to claim or recover against Beneficiary, its officers, employees, agents, and representatives, for loss of or damage to Trustor, the Trust Estate, Trustor's property, or the property of others under Trustor's control from any cause insured against or required to be insured against by the provisions of this Deed of Trust.

1.07 Taxes and Liens. Trustor shall pay before they become delinquent all taxes and assessments levied against or on account of the Trust Estate and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Special assessments shall be paid currently, without deferral, unless the lien for deferred assessments is subordinate to the interest of Beneficiary under this Deed of Trust, or Beneficiary gives its prior written consent to the deferral. Trustor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Beneficiary's interest in the Trust Estate is not jeopardized. If a lien arises or is filed as a result of any nonpayment, Trustor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Trustor has notice of the filing, secure the discharge of the lien or deposit with Beneficiary cash or a sufficient corporate surety bond or other security satisfactory to Beneficiary in an amount sufficient to discharge the lien plus any costs, attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. The assessor or tax collector of the county in which the Property is located is authorized to deliver to Beneficiary a written statement of the property taxes assessed or owing at any time.

1.08 INTENTIONALLY OMITTED

1.09 INTENTIONALLY OMITTED

1.10 Utilities. Trustor shall pay or cause to be paid when due all utility charges which are incurred by Trustor for the benefit of the Trust Estate or which may become a charge or lien against the Trust Estate for gas, electricity, water or sewer services furnished to the Trust Estate and all other assessments or charges of a similar nature, whether public or private, affecting the Trust Estate or any portion thereof, whether or not such assessments or charges are liens thereon.

1.11 Warranty; Defense of Title. Trustor warrants that Trustor holds merchantable title to the Property in fee simple. Trustor warrants and will forever defend the title against claims of all persons. In the event any action or proceeding is commenced that questions Trustor's title or the interest of Beneficiary under this Deed of Trust, Trustor shall defend the action at Trustor's expense.

1.12 Condemnation or Taking. Trustor shall promptly notify Beneficiary of any action or proceeding relating to any condemnation or taking of the Property or any portion thereof. If any action or proceeding in condemnation or eminent domain is filed, Trustor shall promptly take such steps as may be necessary to defend the action and obtain the award. Trustor authorizes Beneficiary as its attorney-in-fact, to appear in and prosecute, in Trustor's or Beneficiary's name, any such action or proceeding. If all or any part of the Trust Estate is condemned or taken by eminent domain, the net proceeds of the award shall be applied as set forth in Section 1.15. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorney fees necessarily paid or incurred by Trustor and Beneficiary in connection with the condemnation or taking.

1.13 Inspections. That Beneficiary, or its agents, representatives or workmen, are authorized to enter at any reasonable time upon or in any part of the Property for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of any of the Loan Documents.

1.14 No Waiver. By accepting payment of any obligation secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other obligations secured hereby or to declare default for failure so to pay.

1.15 Application of Insurance and Condemnation Proceeds.

(a) All compensation, awards, proceeds, damages, claims, insurance recoveries, condemnation awards, rights of action and payments ("**Payments**") which Trustor may receive or to which Trustor may become entitled with respect to the Trust Estate, irrespective, in the case of insurance, of whether Trustor was required to obtain and maintain such insurance by Beneficiary or whether Beneficiary is named as an additional insuree or loss payee, or any part thereof, in the event of any damage or injury to or a partial or total condemnation or taking of the Trust Estate, shall be paid over to Beneficiary and shall be applied first toward reimbursement of all costs and expenses of Beneficiary in connection with the recovery of the same, and then shall be applied as provided in this Section 1.15 and disbursed in accordance with Beneficiary's written instructions.

(b) Trustor shall have the option to utilize any remaining proceeds from the Payments to restore the Trust Estate so long as: (i) no uncured Event of Default exists under the Loan Documents; (ii) Trustor is not in default under any of the terms, covenants or conditions of the Leases and the Leases continue in full force and effect by their terms following the condemnation or casualty loss; (iii) Trustor has in force rental continuation and business interruption insurance covering the longer of six (6)

months or the time Beneficiary reasonably estimates will be necessary to complete such restoration and rebuilding; (iv) Beneficiary is satisfied that the Payments shall be sufficient to fully restore and rebuild the Trust Estate free and clear of all liens except the lien of this Deed of Trust and the Permitted Encumbrances; (v) Beneficiary, in its reasonable discretion, determines that the restoration of the Trust Estate would be economically feasible and that such restoration would be completed at least six (6) months prior to the maturity date of the Note; (vi) any excess of said Payments above the amount necessary to complete such restoration or rebuilding shall be applied, without prepayment premium, as a credit upon any portion of the indebtedness secured hereby, as selected by Beneficiary; (vii) construction and completion of the restoration and rebuilding of the Trust Estate shall be completed in accordance with plans, specifications, drawings and cost estimates (the "**Plans and Specifications**") submitted to and approved by Beneficiary, which Plans and Specifications shall not be substantially modified, changed or revised without Beneficiary's prior written consent and shall be in conformity with all governmental regulations, including building, zoning, land use and environmental regulations; (viii) Beneficiary, in its reasonable discretion, determines that the value of the Trust Estate as restored will equal or exceed its value immediately prior to the loss or taking, and (ix) if Beneficiary at any time reasonably determines that the Payments deposited with Beneficiary will not be sufficient to complete restoration of the Trust Estate pursuant to the Plans and Specifications, Beneficiary may withhold disbursement of the funds until Trustor has deposited such additional funds as Beneficiary deems reasonably necessary to complete the work in accordance with the Plans and Specifications approved by Beneficiary.

(c) If less than all the conditions in Section 1.15(b) above are either satisfied or waived by Beneficiary, then such Payments shall be applied to the payment or prepayment of any indebtedness secured hereby in such order as Beneficiary may determine.

(d) Any application of the payments or any portion thereof to any indebtedness secured hereby shall not be construed to cure or waive any Event of Default hereunder or invalidate any act done pursuant to any such Event of Default.

(e) Notwithstanding anything to the contrary contained herein, if the zoning, building or any land use ordinances then in effect governing the Property do not permit the rebuilding or restoration of all the Property which has been damaged or destroyed, then Trustor hereby agrees that any payment shall be applied to the payment or prepayment of any indebtedness secured hereby in such order as Beneficiary may determine in its sole discretion.

(f) Any funds to be applied to repair or restoration under this Section shall be held and administered by Beneficiary and disbursed in accordance with procedures and subject to the conditions for disbursement of proceeds of the construction loans for the projects similar to the construction of the Improvements, and Beneficiary shall be entitled to reasonable compensation for its services in connection with administration of such funds.

**TRUSTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ALL RIGHTS IT MAY HAVE UNDER CHAPTER 37 OF TITLE 3 OF THE NEVADA REVISED STATUTES PROVIDING FOR ALLOCATION OF CONDEMNATION PROCEEDS BETWEEN A PROPERTY OWNER AND A LIENHOLDER.**

TRUSTOR'S INITIALS: MMI WTK

1.16 Further Encumbrances or Sales

(a) Without the prior written consent of Beneficiary being first had and obtained, Trustor shall not execute or deliver any pledge, security agreement, mortgage, deed of trust or other

instrument of hypothecation, covering all or any portion of the Property or any interest therein, nor sell, contract to sell, lease with option to purchase, convey, alienate, transfer or otherwise dispose of all or any portion of the Property or any interest therein, whether voluntarily or involuntarily, by operation of law or otherwise.

(b) Notwithstanding the foregoing, Trustor may from time to time replace items of Personal Property (as hereinafter defined) and fixtures constituting a part of the property, provided that: (i) the replacements for such items of Personal Property or fixtures are of equivalent value and quality; (ii) Trustor has good and clear title to such replacement property free and clear of any and all liens, encumbrances, security interests, ownership interests, claims of title (contingent or otherwise), or charges of any kind, or the rights of any conditional sellers, vendors or other third parties in or to such replacement property have been expressly subordinated, at no cost to Beneficiary, to the lien of this Deed of Trust in a manner satisfactory to Beneficiary; and (iii) at the option of Beneficiary, Trustor provides at no cost to Beneficiary a satisfactory opinion of counsel to the effect that the Deed of Trust constitutes a valid and subsisting first lien on and security interest in such replacement property and is not subject to being subordinated or the priority thereof affected under any applicable law, including the provisions of Section 9313 of the UCC.

1.17 Accounting. Trustor will keep and maintain or will cause to be kept and maintained in accordance with sound accounting practice accurate and proper books of record and account relating to the Property. Trustor shall permit Beneficiary to examine the books of account and other records of Trustor, to discuss the affairs, finances and accounts of Trustor and to be informed as to the same by Trustor, all at such reasonable times and intervals as Beneficiary may desire. In the event Trustor fails to furnish any of the financial statements under the terms of the Loan Agreement with the times required, Beneficiary may cause an audit to be made of Trustor's books and records, at Trustor's sole cost and expense.

## ARTICLE II SECURITY AGREEMENT

2.01 Grant of Security Interest. For the purpose of securing all obligations of Borrower contained in the Loan Documents, Trustor hereby grants to Beneficiary a security interest in all of the Property that constitutes personal property (the "**Personal Property**") which may be subject to a security interest under the UCC. This Deed of Trust constitutes a security agreement as that term is used in the UCC.

2.02 Warranties, Representations, and Covenants of Trustor. Trustor hereby warrants, represents and covenants as follows:

(a) Except for the security interest granted hereby, Trustor is, and as to portions of the Personal Property and Rent Payments to be acquired after the date hereof will be, the sole owner of the Personal Property and Rent Payments.

(b) The Personal Property is not used or bought for personal, family or household purposes.

(c) The Personal Property will be kept on or at the Property and Trustor will not remove the Personal Property from the Property without the prior written consent of Beneficiary, except as permitted pursuant to Section 1.16.



(d) Trustor maintains a place of business in the State of Nevada, and Trustor will immediately notify Beneficiary in writing of any change in its place of business.

(e) At the request of Beneficiary, Trustor will join Beneficiary in executing one or more financing statements and renewals and amendments thereof pursuant to the UCC in form satisfactory to Beneficiary, and will pay the cost of filing the same in all public offices wherever filing is deemed by Beneficiary to be necessary or desirable.

(f) All covenants and obligations of Trustor contained herein relating to the Trust Estate shall be deemed to apply to the Personal Property and Rent Payments, whether or not expressly referred to herein.

2.03 Fixture Filing. This Deed of Trust covers certain goods which are or become fixtures related to the Land and constitutes a fixture filing with respect to such goods executed by Trustor as debtor in favor of Beneficiary as secured party. Accordingly, this Deed of Trust constitutes a fixture filing under Sections 104.9334 and 104.9502 of the UCC.

2.04 Assignment of Agreements.

(a) As partial security for the Loan, Trustor sells, assigns, transfers, sets over, and delivers to Beneficiary all of Trustor's right, title, and interest in all agreements, licenses, permits, and contracts pertaining to the use or operation of the Property, including, but not limited to, environmental impact reports; negative declarations; map approvals; grading and construction permits; conditional use permits; applications for all permits; management agreements; agreements with contractors, suppliers, and construction managers; and agreements pertaining to the transfer of Development Entitlements under applicable laws or ordinances (collectively, "**Agreements**"), as they may be amended or otherwise modified from time to time, including, without limitation, the right of Trustor to terminate any of the Agreements, to perform under them, and to compel performance and otherwise exercise all remedies under them, together with the immediate and continuing right to collect and receive all sums that may become due to Trustor, or which Trustor may now or later become entitled to demand or claim, arising or issuing out of the Agreements, including, without limitation, claims of Trustor for damages arising out of breach of or default under any of the Agreements and all rights of Trustor to receive proceeds of any insurance, indemnity, warranty, or guaranty with respect to any of the Agreements. However, so long as no Event of Default has occurred and is continuing, Trustor will have the right under a license granted to collect and retain all sums that may become payable to Trustor under the Agreements.

(b) Trustor covenants and agrees to punctually observe, perform, and discharge the obligations, terms, covenants, conditions, and warranties to be observed, performed, and discharged by it under the Agreements. Beneficiary, upon an Event of Default, at its option and upon written notice to Trustor, will have the right to declare the assignment in this Section 2.04 to be absolute, and, in addition, Beneficiary will have the complete right then or later to exercise and enforce all of the rights and remedies provided by law.

(c) The acceptance by Beneficiary of the assignment in this Section 2.04, with all the rights, powers, privileges, and authority granted will not, prior to the exercise of Beneficiary's right to declare the assignment in this Section 2.04 to be absolute, obligate Beneficiary to assume any obligations under the Agreements or to take any action under them, or to expend any money or incur any expense or perform or discharge any obligation, duty, or liability under the Agreements, or to assume any obligation or responsibility for the nonperformance of the provisions by Trustor.

**ARTICLE III  
ASSIGNMENT OF RENTS**

3.01 Assignment. Trustor hereby irrevocably assigns to Beneficiary all of Trustor's right, title and interest in, to and under: (a) all Leases and (b) all Rent Payments. This is a present and absolute assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Rent Payments is not contingent upon, and may be exercised without possession of, the Property.

3.02 Grant of License. Beneficiary confers upon Trustor a license ("License") to collect and retain the Rent Payments as they become due and payable, until the occurrence of an Event of Default. Upon the occurrence of an Event of Default, the License shall be automatically revoked, and Beneficiary may collect and apply Rent Payments pursuant to Section 4.04 hereof without notice and without taking possession of the Property. Trustor hereby irrevocably authorizes and directs the lessees under the Leases to rely upon and comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rental or other sums which may at any time become due under the Leases, or for the performance of any of the lessees' undertakings under the Leases, and the lessees shall have no right or duty to inquire as to whether any Event of Default has actually occurred or is then existing hereunder. Trustor hereby relieves the lessees from any liability to Trustor by reason of relying upon and complying with any such notice or demand by Beneficiary.

3.03 Effect of Assignment. The foregoing irrevocable assignment shall not cause Beneficiary to be: (a) a mortgagee in possession; (b) responsible or liable for the control, care, management or repair of the Property or for performing any of the terms, agreements, undertakings, obligations, representations, warranties covenants and conditions of the Leases; or (c) responsible or liable for any waste committed on the Property by the lessees under any of the Leases or any other parties; for any dangerous or defective condition of the Property; or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any lessee, licensee, employee, invitee or other person. Beneficiary shall not directly or indirectly be liable to Trustor or any other person as a consequence of: (a) the exercise or failure to exercise any of the rights, remedies or powers granted to Beneficiary hereunder; or (b) the failure or refusal of Beneficiary to perform or discharge any obligation, duty or liability of Trustor arising under the Leases.

3.04 Representations and Warranties. Trustor represents and warrants as follows:

(a) Trustor has good right, title and interest in and to the Leases and Rent Payments and good right to assign the same, no other person has any right, title or interest therein, and none of lessor's interests under any Lease has been transferred or assigned.

(b) Trustor has duly and punctually performed all and singular the material terms, covenants, conditions and warranties of the Leases on Trustor's part to be kept, observed and performed.

(c) The existing Leases, if any, are valid and enforceable in accordance with their respective terms and, except as previously disclosed to Beneficiary in writing, unmodified and are in full force and effect.

(d) None of the Rent Payments due and issuing from the Property or from any part thereof has been collected for any period in excess of one month from the date hereof, and payment of any of same has not otherwise been anticipated, waived, released, discounted, set off or otherwise discharged or compromised.

(e) Trustor has not received any funds or deposits from any tenant for which credit has not already been made on account of accrued Rent Payments.

(f) To the best of Trustor's knowledge, none of the tenants under any existing Leases is in default of any of the material terms thereof.

3.05 Covenants of Performance. Trustor covenants and agrees as follows:

(a) Trustor shall observe, perform, and discharge, duly and punctually, all of the material obligations of the Leases on the part of Trustor to be kept, observed, and performed and shall give prompt notice to Beneficiary of any failure on the part of Trustor to observe, perform, and discharge same.

(b) Trustor shall enforce the performance of each and every material obligation, term, covenant, condition, and agreement in the Leases by any tenant to be performed, and shall notify Beneficiary of the occurrence of any material default under the Leases.

(c) Trustor shall appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the obligations, duties, or liabilities of Trustor or any tenant thereunder at the expense of Trustor.

3.06 Application of Rent Payments. Trustor shall receive Rent Payments and hold the Rent Payments, together with the right and license herein granted, as a trust fund to be applied, and Trustor hereby covenants to so apply them, as required by Beneficiary, first to the payment of taxes and assessments upon the Property before penalty or interest is due thereon; second to the costs of insurance, maintenance and repairs required by the terms of this Deed of Trust; third to satisfaction of all obligations under the Leases; and fourth to the payment of interest, principal and any other sums becoming due under the Note and Loan Documents, before using any part of the same for any other purposes; provided, however, that failure to make any payment due and payable under the Note and other Loan Documents shall not be excused by reason of Trustor's application of Rent Payments to the other items set forth above. Upon the conveyance by Trustor and its successors and assigns of Trustor's interest in the Property, all right, title, interest and powers granted under the license aforesaid shall automatically pass to and may be exercised by each subsequent owner.

**ARTICLE IV  
EVENT OF DEFAULT AND REMEDIES UPON EVENTS OF DEFAULT**

4.01 Events of Default. Any of the following events shall be deemed an "Event of Default" hereunder:

(a) A breach of or default under any term, covenant, agreement, condition, provision, representation, or warranty contained in any of the Loan Documents or any part thereof, not referred to in this Section 4.01.

(b) The conveyance of the Property or transfer of any interest therein by Trustor in violation of the terms of this Deed of Trust.

(c) The occurrence of any of the following events:

(i) Title to the Property is not satisfactory to Beneficiary by reason of any defect (even though the same may have existed at the time of any prior advance of the loan proceeds),

except those matters affecting title which have at any time been consented to in writing by Beneficiary, and such defect be not corrected within thirty (30) days after notice to Trustor.

(ii) Trustor fails to comply with any requirement of any government authority having jurisdiction over the Property within the time required by such authority after notice in writing of such requirement shall have been given to Trustor.

4.02 Rights and Remedies on Default. Upon the occurrence of any Event of Default and at any time thereafter, Beneficiary may exercise any one or more of the following rights and remedies:

(a) Withhold further disbursement of proceeds, if any, of the loan that is evidenced by the Note.

(b) Declare the entire indebtedness secured hereby immediately due and payable with or without notice to Trustor and terminate any Loan Document in accordance with its terms.

(c) With or without notice, and without releasing Trustor from any obligation secured hereby, and without becoming a mortgagee in possession, cure any breach or default of Trustor and, in connection therewith, to enter upon the Property and do such acts and things as Beneficiary or Trustee deem necessary or desirable to protect the security hereof, including: (i) to appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee under this Deed of Trust; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the sole judgment of either Beneficiary or Trustee, is or may be senior in priority to this Deed of Trust, the judgment of Beneficiary or Trustee being conclusive as between the parties hereto; (iii) to obtain insurance; (iv) to pay any premiums or charges with respect to insurance required to be carried under this Deed of Trust; or (v) to employ counsel, accountants, contractors and other appropriate persons.

(d) Commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that, for the purposes of any suit brought under this subparagraph, Trustor waives the defense of laches and any applicable statute of limitations;

(e) Apply to a court of competent jurisdiction for and obtain appointment of a receiver of the Property as a matter of strict right and without regard to the adequacy of the security for the repayment of the obligations secured hereby, the existence of a declaration that the obligations secured hereby are immediately due and payable, or the filing of a notice of default, and Trustor hereby consents to such appointment;

(f) Enter upon, possess, manage and operate the Property or any part thereof, to take and possess all documents, books, records, papers and accounts of Trustor or the then owner of the Property, to make, terminate, enforce or modify Leases of the Property upon such terms and conditions as Beneficiary deems proper, to make repairs, alteration and improvements to the Property as necessary, in Trustee's or Beneficiary's sole judgment, to protect or enhance the security hereof;

(g) Execute a written notice of such default and of its election to cause the Property to be sold to satisfy the obligations secured hereby. As a condition precedent to any such sale, Trustee shall give and record such notice as the law then requires. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as required by law, shall sell the Property at the time and place of sale fixed by it in the notice of sale, at one or

several sales, either as a whole or in separate parcels and in such manner and order, all as Beneficiary in its sole discretion may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale. Neither Trustor nor any other person or entity other than Beneficiary shall have the right to direct the order in which the Property is sold. Subject to requirements and limits imposed by law, Trustee may from time to time postpone sale of all or any portion of the Property by public announcement at such time and place of sale. Trustee shall deliver to the purchaser at such sale a deed conveying the Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee, Trustor or Beneficiary may purchase at the sale. No foreclosure sale shall terminate or affect the lien of this Deed of Trust on any part of the Property which has not been sold, until all of the obligations secured hereby have been paid and performed in full; and

(h) Resort to and realize upon the security hereunder and any other security now or later held by Beneficiary concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and to apply the proceeds received upon the obligations secured hereby all in such order and manner as Trustee and Beneficiary, or either of them, determine in their sole discretion.

4.03 Application of Foreclosure Sale Proceeds. After deducting all costs, fees and expenses of Trustee, and of this trust, including cost of evidence of title and attorneys' fees in connection with sale and costs and expenses of sale and of any judicial proceeding wherein such sale may be made, Trustee shall apply all proceeds of any foreclosure sale: (i) to payment of all sums expended by Beneficiary under the terms hereof and not then repaid, with accrued interest at the Default Rate; (ii) to payment of all other obligations secured hereby; and (iii) the remainder, if any, to the person or persons legally entitled thereto.

4.04 Application of Other Sums. All sums received by Beneficiary under Section 4.02 or Section 3.02, or both, less all costs and expenses incurred by Beneficiary or any receiver thereunder, including attorneys' fees, shall be applied in payment of the obligations secured hereby in such order as Beneficiary shall determine in its sole discretion; provided, however, that Beneficiary shall have no liability for funds not actually received by Beneficiary.

4.05 No Cure or Waiver. Neither Beneficiary's nor Trustee's nor any receiver's entry upon and taking possession of all or any part of the Property, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any obligation secured hereby, nor the exercise or failure to exercise of any other right or remedy by Beneficiary or Trustee or any receiver shall cure or waive any breach, default or notice of default under this Deed of Trust, or nullify the effect of any notice of default or sale (unless all obligations secured hereby then due have been paid and performed and Trustor has cured all other defaults), or impair the status of the security, or prejudice Beneficiary or Trustee in the exercise of any right or remedy, or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of this Deed of Trust.

4.06 INTENTIONALLY OMITTED

4.07 Power to File Notices and Cure Defaults. Trustor hereby irrevocably appoints Beneficiary and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and/or record any notices of completion, cessation of labor, or any other notices that Beneficiary deems appropriate to protect Beneficiary's interest, (b) upon the issuance of a deed pursuant to the foreclosure of this Deed of Trust or the delivery of a deed in lieu of foreclosure, to execute all instruments

of assignment or further assurance with respect to the Leases and Rent Payments in favor of the grantee of any such deed, as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, Beneficiary's security interests and rights in or to any of the Personal Property, and (d) upon the occurrence of an event, act or omission which, with notice or passage of time or both, would constitute an Event of Default, to perform any obligation of Trustor hereunder; provided, however, that: (i) Beneficiary as such attorney-in-fact shall only be accountable for such funds as are actually received by Beneficiary; and (ii) Beneficiary shall not be liable to Trustor or any other person or entity for any failure to act under this Section.

## ARTICLE V MISCELLANEOUS

5.01 Governing Law. This Deed of Trust shall be governed by the laws of the State of Nevada. In the event that any provision or clause of any of the Loan Documents conflicts with applicable laws, such conflicts shall not affect other provisions of such Loan Documents which can be given effect without the conflicting provision, and to this end the provisions of the Loan Documents are declared to be severable.

5.02 Modification. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

5.03 Inspections and Appraisals. Beneficiary or its agents may enter upon the Property at any reasonable times to inspect or appraise it, whether or not any Event of Default has occurred and is continuing. If Trustor refuses to permit such inspection or appraisal, Beneficiary may specifically enforce performance of this provision. Trustor agrees to pay the cost of all appraisals and appraisal reviews required by Beneficiary in its sole discretion (a) to comply with (i) any applicable statute or regulation, or (ii) the request or directive (whether or not having the force of law) of any regulatory authority with jurisdiction over Beneficiary, (b) to comply with Beneficiary's policies concerning appraisals, or (c) at any time after the occurrence of an Event of Default. All such appraisal and appraisal review costs shall become a part of the indebtedness secured hereby and shall be payable on demand, together with interest thereon at the Default Rate.

5.04 Notices. Whenever Beneficiary, Trustor or Trustee shall desire to give or serve any notice, demand, request or other communication with respect to this Deed of Trust, each such notice, demand, request or other communication shall be in writing and shall be effective only if the same is delivered by personal service or mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the address set forth at the beginning of this Deed of Trust. Any communication which is mailed as provided above shall be deemed delivered seventy-two (72) hours after mailing. Any party may at any time change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change.

5.05 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.

5.06 Invalidity of Certain Provisions. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Trust Estate, the unsecured or partially unsecured portion of the debt shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or

fully secured by the lien of this Deed of Trust. Further, the invalidity or unenforceability of any portion or provision of this Deed of Trust shall in no way affect the validity or enforceability of the remainder hereof.

5.07 Subrogation. To the extent that proceeds of the Note or any other sums secured hereby are used to pay any outstanding lien, charge or prior encumbrance against the Trust Estate, such proceeds have been or will be deemed to have been advanced by Beneficiary at Trustor's request and Beneficiary shall be subrogated to any and all rights and liens owed by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether such liens, charges or encumbrances are released.

5.08 No Merger. If both the lessor's and lessee's estates under any lease or portion thereof which constitutes a part of the Trust Estate shall at any time become vested in one owner, this Deed of Trust and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger and, in such event, Beneficiary shall continue to have and enjoy all of the rights and privileges of Beneficiary as to the separate estates. In addition, upon the foreclosure of the lien created by this Deed of Trust on the Trust Estate pursuant to the provisions hereof, any leases or subleases then existing and created by Trustor shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Beneficiary or any purchaser at any such foreclosure sale shall so elect. No act by or on behalf of Beneficiary or any such purchaser shall constitute a termination of any lease or sublease unless Beneficiary or such purchaser shall give written notice thereof to such tenant or subtenant.

5.09 Waiver of Marshaling. Trustor, for itself and for all persons hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Deed of Trust, hereby expressly waives and releases all rights to direct the order in which any of the Property shall be sold in the event of any sale or sales pursuant hereto and to have any of the Property and/or any other property now or hereafter constituting security for any of the indebtedness secured hereby marshaled upon any foreclosure of this Deed of Trust or of any other security for any of said indebtedness.

5.10 Remedies Cumulative. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

5.11 Certain Charges. Trustor agrees to pay Beneficiary for each statement of Beneficiary as to the obligations secured hereby, furnished at Trustor's request, the maximum fee allowed by law, or if there be no maximum fee, then such reasonable fee as is charged by Beneficiary as of the time said statement is furnished. Trustor further agrees to pay the charges of Beneficiary for any other service rendered Trustor, or on its behalf, connected with this Deed of Trust or the indebtedness secured hereby, including the delivery to an escrow holder of a request for full or partial reconveyance of this Deed of Trust, transmitting to an escrow holder moneys secured hereby, changing its records pertaining to this Deed of Trust and indebtedness secured hereby to show a new owner of the Property, and replacing an existing policy of insurance held hereunder with another such policy.

5.12 Reconveyance. Upon the payment in full of all sums secured by this Deed of Trust, Beneficiary shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Upon payment of its fees and any other sums owing to it under this Deed of Trust, Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any. The recitals in such conveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons

legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy said notes and this Deed of Trust unless otherwise directed by Beneficiary.

5.13 Statute of Limitations. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the fullest extent permitted by law.

5.14 Interpretation. In this Deed of Trust whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the neuter includes the feminine and/or masculine, and the singular number includes the plural and conversely. In this Deed of Trust, the use of the word "including" shall not be deemed to limit the generality of the term or clause to which it has reference, but shall refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. Except as otherwise specifically provided, references herein to Sections and Exhibits are to the Sections of and Exhibits attached to this Deed of Trust. The captions and headings of the Articles and Sections of this Deed of Trust are for convenience only and are not to be used to interpret, define or limit the provisions hereof.

5.15 Successors and Assigns; Joint and Several Obligations. All of the grants, obligations, covenants, agreements, terms, provisions and conditions herein shall run with the land and shall apply to, bind and inure to the benefit of, the heirs, administrators, executors, legal representatives, successors and assigns of Trustor and the successors in trust of Trustee and the endorsees, transferees, successors and assigns of Beneficiary. The representations, warranties, covenants, agreements and obligations of Trustor hereunder are joint and several.

*Remainder of Page Intentionally Blank  
Signature Pages Follow*



IN WITNESS WHEREOF, Trustor has executed this Deed of Trust on the day and year written herein below.

TRUSTOR:

TAHOE RETAIL, LLC.  
a Nevada limited liability company

Dated: 4/24/15

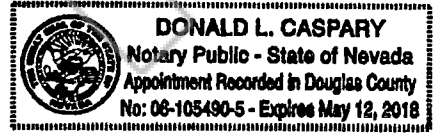
By: [Signature]  
Michael H. Bradford  
Managing Member

STATE OF NEVADA )  
COUNTY OF DOUGLAS )

On April 24, 2015, before me, Donald L. Caspary, personally appeared MICHAEL H. BRADFORD, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature [Signature]



(Seal)

Remainder of Page Intentionally Blank  
Additional Signature Page Follows

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust on the day and year written herein below.

TRUSTOR:

TAHOE RETAIL, LLC.  
a Nevada limited liability company

Dated: 4/20/15

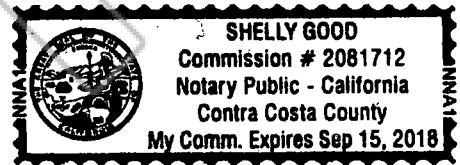
By: [Signature]  
William F. Kartoian  
Managing Member

STATE OF California )  
COUNTY OF Contra Costa )

On April 20<sup>th</sup>, 2015, before me, Shelly Good, Notary Public personally appeared WILLIAM F. KARTOZIAN, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Shelly Good



(Seal)

Remainder of Page Intentionally Blank  
Exhibits Follows

**EXHIBIT A  
TO  
DEED OF TRUST, ASSIGNMENT OF RENTS AND AGREEMENTS,  
SECURITY AGREEMENT, AND FIXTURE FILING**

(Legal Description of Land)

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

COMMENCING at a point at the Southeast corner of the parcel on the west side of the highway right-of-way line created by Deed recorded in Book U of Deeds, Page 110, Douglas County, Nevada Records, said point being described as bearing South 60°13' West 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.; thence North 61°00' West 350 feet; thence North 18°24'08" East 666.36 feet to the true point of beginning for the description of the parcel herein described; thence North 18°24'47" East a distance of 20 feet; thence South 61°11' East a distance of 100 feet; thence North 18°25'47" East 141.26 feet; thence South 61°11' East a distance of 250 feet to a point on the west side of said highway right-of-way line; thence from a tangent bearing South 8°43'25" West curving to the right along the westerly side of said highway right-of-way line with a radius of 2,460 feet through an angle of 3°46'19" an arc distance of 161.95 feet to a point; thence North 61°52'31" West a distance of 371.52 feet to the true point of beginning.

EXCEPTING THEREFROM any portion thereof lying within the boundaries of U.S. Highway 50 and Kahle Drive.

APN 1318-22-002-010

NOTE: The above metes and bounds description appeared previously in that certain Grant, Bargain and Sale Deed recorded in the office of the County Recorder of Douglas County, Nevada on July 31, 2007, as Document No. 0706597 of Official Records