



KAREN ELLISON, RECORDER

APN: 1318-27-001-009 and 1318-27-001-011

**RECORDING REQUESTED BY
FIDELITY NATIONAL TITLE
COMPANY AND
WHEN RECORDED MAIL TO
Amy M. Mitchell
Norton Rose Fulbright US LLP
98 San Jacinto Blvd., #1100
Austin, TX 78701-4255**

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

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

Neva One, LLC, a Nevada limited liability company, as trustor
(Borrower)

to

Fidelity National Title Insurance Company, as trustee
(Trustee)

for the benefit of

Paragon HRLT Holdings LLC as collateral agent for Paragon HRLT Holdings LLC, HRLT
Investment Company LLC, Crescent HR, L.L.C. and each other person that is a debentureholder
under the Loan Documents from time to time
collectively, as beneficiary

(Lender)

Dated: As of June 8, 2016

Location: 50 Hwy 50, Stateline, Nevada
County: Douglas

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

THIS DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this “**Security Instrument**”) is made as of this 8th day of June, 2016, by **Neva One, LLC**, a Nevada limited liability company, having its principal place of business at 1300 Buckeye Road, Suite A, Minden, NV 89423 as trustor (“**Borrower**”) to **Fidelity National Title Insurance Company**, as trustee, having an address at 500 N. Rainbow Blvd., Suite 100, Las Vegas, NV 89107 (the “**Trustee**”) for the benefit of, **Paragon HRLT Holdings LLC** as collateral agent for **Paragon HRLT Holdings LLC, HRLT Investment Company LLC, Crescent HR, L.L.C.** and each other person that is a debentureholder under the Loan Documents from time to time, having an address at 6650 Via Asti Parkway, Suite 150, Las Vegas, NV 89119 (collectively, together with their successors and/or assigns, “**Lender**”).

W I T N E S S E T H:

A. Borrower is the owner of the fee simple estate in the Land (as defined in Section 1.1 hereof) as more particularly described in Exhibit A attached hereto and made a part hereof.

B. This Security Instrument is given to secure a loan (the “**Loan**”) advanced pursuant to that certain convertible debenture, dated as of the date hereof, between Borrower and Lender (and all schedules attached thereto and as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Debenture**”). The Principal Amount (as defined in the Debenture), all interest thereon and all other Obligations (as defined in the Debenture) is referred to in this Security Instrument as the “**Debt**.” **Subscription Agreement** means the Purchase and Subscription Agreement dated the date of this Debenture by and among the Holders, the Borrower and Park Heritage, as the same may be amended, supplemented or restated in accordance with its terms. The “**Debenture Documents**” means the Debenture, the Subscription Agreement, and the Intercreditor Agreement dated the date of the Debenture by and among ABC Funding, LLC and Paragon HRLT Holdings LLC and Borrower, as such documents may be amended, supplemented or restated in accordance with their terms.

C. Borrower desires to secure the payment of the Debt and the performance of all of its obligations under the Debenture and the other Loan Documents (as herein defined).

D. This Security Instrument is given pursuant to the Debenture, and payment, fulfillment, and performance by Borrower of its obligations thereunder and under the other Loan Documents are secured hereby, and each and every term and provision of the Debenture, including the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and **warranties** of the parties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Security Instrument (the Debenture Documents, the Collateral Agency Agreement by and among Borrower, each Lender and Paragon HRLT Holdings LLC, as collateral agent, this Security Instrument, and all other documents evidencing or securing the Debt or executed or delivered in connection therewith, are hereinafter referred to collectively as the “**Loan Documents**”).

NOW, THEREFORE, in consideration of the making of the Loan by Lender and the covenants, agreements, representations and warranties set forth in this Security Instrument:

ARTICLE 1 –GRANTS OF SECURITY

Section 1.1 Trust Property Conveyed. Borrower does hereby irrevocably grant, bargain, sell, pledge, assign, warrant, transfer and convey to Trustee and its successors and assigns, in trust, with Power of Sale for the benefit of Lender as beneficiary in trust all of Borrower's rights, title and interest in and to, the following property rights, interests and estates now owned, or hereafter acquired by Borrower (collectively, the "**Trust Property**"):

(a) **Land.** The real property described in Exhibit A attached hereto and made a part hereof (the "**Land**") and any and all rights, title, interest, estate and appurtenances relating thereto now owned or hereafter acquired by Borrower;

(b) **Additional Land.** All additional lands, estates and development rights hereafter acquired by Borrower for use in connection with the Land and the development of the Land and all additional lands and estates therein which may, from time to time, by supplemental deed of trust or otherwise, be expressly made subject to the lien of this Security Instrument;

(c) **Improvements.** The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land (collectively, the "**Improvements**"); provided, however, that "Improvements" shall not include any buildings, structures, fixtures or improvements owned by Tenants pursuant to the Leases, except the extent that Borrower shall have any right or interest therein;

(d) **Easements.** All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land and the Improvements, and the reversions and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, rights of dower, rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Borrower of, in and to the Land and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(e) **Equipment.** All "goods" and "equipment," as such terms are defined in Article 9 of the Uniform Commercial Code (hereinafter defined), now owned or hereafter acquired by Borrower, which is used at or in connection with the Improvements or the Land or is located thereon or therein (including, but not limited to, all machinery, equipment, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by Borrower and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the "**Equipment**"). Notwithstanding the foregoing, Equipment

shall not include any property belonging to tenants under Leases (hereinafter defined) except to the extent that Borrower shall have any right or interest therein;

(f) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Borrower which is so related to the Land and Improvements forming part of the Trust Property that it is deemed fixtures or real property under the law of the particular state in which the Equipment is located, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of or installation on the Trust Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in or used in connection with (temporarily or permanently) any of the Improvements or the Land, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Borrower's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the "**Fixtures**"). Notwithstanding the foregoing, "Fixtures" shall not include any property which tenants are entitled to remove pursuant to Leases, except to the extent that Borrower shall have any right or interest therein;

(g) Personal Property and Gaming Devices and Related property. All furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever as defined in and subject to the provisions of the Uniform Commercial Code, whether tangible or intangible, other than Fixtures, all "gaming devices," as defined in Nevada Revised Statutes ("NRS") 463.0155, including, without limitation, "slot machines," as defined in NRS 463.0191; "associated equipment," as defined in NRS 463.0136, spare or replacement parts for any gaming devices and associated equipment, including computer chips for such equipment; "cashless wagering systems" as defined in NRS 463.014; all tangible and intangible personal property or fixtures related to any "interactive gaming facility," as defined in NRS 463.016427, or any "inter-casino linked system", as defined in NRS 463.01643; all "covered assets," as defined in NRS 463.01464; all on-line slot metering systems, as described in Nevada Gaming Control Regulation 6.045; gaming or slot machine chips, tokens and paper tickets, markers, and casino bank roll deposits or reserves (including cash, coins, and currency of any type on hand, in any "casino cage" or in any gaming device or otherwise on or about the Land or Improvements); all tangible and intangible personal property, fixtures, or equipment used in connection with or related to any "slot club" or other customer loyalty program, including data bases or other records (expressly excluding any liabilities with respect to any such club or program); and any and all other tangible and intangible personal property, fixtures, or equipment (including, without limitation, computer hardware and software, computer programs, computer files and storage devices and data, other

records, maintenance contracts, and leases pertaining to any of the forgoing and their operations and record keeping systems and capabilities wherever located or otherwise related to any gaming device, or "game" or "gambling machine," as defined in NRS 463.0152, which are now or hereafter owned by Borrower and which are located within or about the Land and the Improvements, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the "**Personal Property**"), and the right, title and interest of Borrower in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state or states where any of the Trust Property is located (the "**Uniform Commercial Code**"), superior in lien to the lien of this Security Instrument and all proceeds and products of the above;

(h) Leases and Rents. All leases, subleases or subsubleases, lettings, licenses, concessions or other agreements (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of the Land and the Improvements, and every modification, amendment or other agreement relating to such leases, subleases, subsubleases, or other agreements entered into in connection with such leases, subleases, subsubleases, or other agreements and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into (collectively, the "**Leases**"), whether before or after the filing by or against Borrower of any petition for relief under 11 U.S.C. §101, et seq., as the same may be amended from time to time (the "**Bankruptcy Code**") and all right, title and interest of Borrower, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Land and the Improvements whether paid or accruing before or after the filing by or against Borrower of any petition for relief under the Bankruptcy Code (collectively, the "**Rents**") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt;

(i) Condemnation Awards. All Awards payable to Borrower which may heretofore and hereafter be made with respect to the Trust Property by reason of Condemnation, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or decrease in the value of the Trust Property;

(j) Insurance Proceeds. All Insurance Proceeds payable to Borrower in respect of the Trust Property under any Policies covering the Trust Property, including, without limitation, the right to receive and apply the proceeds of any Policies, judgments, or settlements made in lieu thereof, in connection with a Casualty to the Trust Property;

(k) Tax Certiorari. All refunds, rebates or credits in connection with reduction in Taxes or Other Charges charged against the Trust Property and payable to Borrower;

(l) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing payable to Borrower including, without limitation, Insurance Proceeds and Awards, into cash or liquidation claims;

(m) Rights. Upon the occurrence and during the continuance of an Event of Default, the right, in the name and on behalf of Borrower, to appear in and defend any action or proceeding brought with respect to the Trust Property and to commence any action or proceeding to protect the interest of Lender in the Trust Property;

(n) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Land and any part thereof and any Improvements or any business or activity conducted on the Land and any part thereof and all right, title and interest of Borrower therein and thereunder, including, without limitation, the right, upon the happening and during the continuance of any Event of Default hereunder, to receive and collect any sums payable to Borrower thereunder;

(o) Trademarks. All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Trust Property;

(p) Accounts. All reserves, escrows and deposit accounts maintained by Borrower with respect to the Trust Property (other than Borrower's operating account), including, without limitation, all accounts established or maintained pursuant to the Debenture; together with all deposits or wire transfers made to such accounts and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein from time to time and all proceeds, products, distributions or dividends or substitutions thereon and thereof;

(q) Letter of Credit. All letter-of-credit rights (whether or not the letter of credit is evidenced by a writing) Borrower now has or hereafter acquires relating to the properties, rights, titles and interests referred to in this Section 1.1; and

(r) Other Rights. Any and all other rights of Borrower in and to the items set forth in Subsections (a) through (q) above.

AND without limiting any of the other provisions of this Security Instrument, to the extent permitted by applicable law, Borrower expressly grants to Lender and Trustee, as secured party, a security interest in the portion of the Trust Property which is or may be subject to the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Land (the Land, the Improvements and the Fixtures collectively referred to as the "**Real Property**") appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Security Instrument be deemed conclusively to be real estate and mortgaged hereby.

Notwithstanding the foregoing, the foregoing collateral shall not include (a) any permit, lease, license, contract or other “Instrument” (as such term is defined in the Uniform Commercial Code) of Borrower to the extent the grant of a security interest in such permit, lease, license, contract or other Instrument in the manner contemplated by this Deed of Trust, under the terms thereof or under applicable law, is prohibited and would result in the termination thereof or give the other parties thereto the right to terminate, accelerate or otherwise alter Borrower’s rights, titles and interests thereunder (including upon the giving of notice or the lapse of time or both) or (b) any United States intent-to-use trademark applications to the extent that, and solely during the period in which the grant of a security interest therein would impair the validity or enforceability of or render void or result in the cancellation of, any registration issued as a result of such intent-to-use trademark applications under applicable law; provided that upon submission and acceptance by the United States Patent and Trademark Office of an amendment to allege pursuant to 15 U.S.C. Section 1060(a) or any successor provision), such intent-to-use trademark application shall be considered collateral hereunder; provided, further that (i) any such limitation described in the foregoing clause (a) on the security interests granted hereunder shall only apply to the extent that any such prohibition or right to terminate or accelerate or alter Borrower’s rights could not be rendered ineffective pursuant to the Uniform Commercial Code or any other applicable law or principles of equity, (ii) in the event of the termination or elimination of any such prohibition or right or the requirement for any consent contained in any applicable law, permit, lease, license, contract or other Instrument, to the extent sufficient to permit any such item to become collateral hereunder, or upon the granting of any such consent, or waiving or terminating any requirement for such consent, a security interest in such permit, lease, license, contract or other Instrument shall be automatically and simultaneously granted hereunder and shall be included as collateral hereunder, and (iii) all rights to payment of money due or to become due pursuant to, and all rights to the “Proceeds” (as such term is defined in the Uniform Commercial Code) from the sale of, any such excluded property shall be and at all times remain collateral and shall be subject to the security interests created by this Deed of Trust.

Section 1.2 Assignment of Rents. Borrower hereby absolutely and unconditionally assigns to Lender and Trustee all of Borrower’s right, title and interest in and to all current and future Leases and Rents; it being intended by Borrower that this assignment constitutes a present, absolute and irrevocable assignment and not an assignment for additional security only. Nevertheless, subject to the terms of the Debenture and Section 8.1(h) of this Security Instrument, Lender grants to Borrower a revocable license to collect, receive, use and enjoy the Rents and Borrower shall hold the Rents, or a portion thereof sufficient to discharge all current sums due on the Debt, for use in the payment of such sums. In the event that Lender, in the exercise of its sole and absolute discretion, accepts a cure by Borrower of the Event of Default that caused the license granted in this Section 1.2 to be revoked, and provided that no other Event of Default then exists, said license shall be reinstated to Borrower without further action of the parties.

Section 1.3 Security Agreement. This Security Instrument is both a real property deed of trust and a “security agreement” within the meaning of the Uniform Commercial Code. The Trust Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Borrower in the Trust Property. By executing and delivering this Security Instrument, Borrower hereby grants to Lender, as security for the Obligations (hereinafter defined), a security interest in the Fixtures, the

Equipment and the Personal Property and other property constituting the Trust Property, whether now owned or hereafter acquired, to the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Trust Property so subject to the Uniform Commercial Code being called the “**Collateral**”). If an Event of Default shall occur and be continuing, Lender, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Lender after the occurrence and during the continuance of an Event of Default, Borrower shall, at its expense, assemble the Collateral and make it available to Lender at a convenient place (at the Land if tangible property) reasonably acceptable to Lender. Borrower shall pay to Lender on demand any and all expenses, including reasonable legal expenses and attorneys’ fees, incurred or paid by Lender in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of an Event of Default. Any notice of sale, disposition or other intended action by Lender with respect to the Collateral sent to Borrower in accordance with the provisions hereof at least ten (10) business days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Borrower. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Lender to the payment of the Debt in such priority and proportions as Lender in its discretion shall deem proper. Borrower’s (debtor’s) principal place of business is as set forth on page one hereof and the address of Lender (secured party) is as set forth on page one hereof.

Section 1.4 Fixture Filing. Certain of the Trust Property is or will become “fixtures” (as that term is defined in the Uniform Commercial Code) on the Land, and this Security Instrument, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Trust Property that is or may become fixtures, to the extent of Borrower’s interest therein.

Section 1.5 Pledges of Monies Held. Borrower hereby pledges to Lender any and all monies now or hereafter held by Lender or on behalf of Lender, until expended or applied as provided in this Security Instrument or the Debenture.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Trust Property unto and to the use and benefit of Trustee and its successors and assigns, forever;

IN TRUST, WITH POWER OF SALE, to secure payment to Lender of the Obligations at the time and in the manner provided for its payment in the Debenture and in this Security Instrument.

PROVIDED, HOWEVER, these presents are upon the express condition that, if the Loan is defeased in full or the Debt shall be paid to Lender at the time and in the manner

provided in the Debenture and this Security Instrument, and Borrower shall well and truly perform the Other Obligations (hereinafter defined) and Borrower shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Debenture and the other Loan Documents, these presents and the estate hereby granted shall cease, terminate and be void or shall be assigned and/or reconveyed, as applicable; provided, however, that Borrower's obligation to indemnify and hold harmless Lender pursuant to the provisions hereof that expressly survive repayment of the Loan shall survive any such payment or release.

ARTICLE 2 – DEBT AND OBLIGATIONS SECURED

Section 2.1 Debt. This Security Instrument and the grants, assignments and transfers made in Article 1 are given for the purpose of securing the Debt.

Section 2.2 Other Obligations. This Security Instrument and the grants, assignments and transfers made in Article 1 are also given for the purpose of securing the following (collectively, the “**Other Obligations**”):

- (a) the performance of all other obligations of Borrower contained herein;
- (b) payment of additional sums and interest thereon which may hereafter be loaned to Borrower, or to its successors or assigns, when evidenced by a written agreement or agreements reciting that such sums are secured by this Security Instrument;
- (c) the performance of each obligation of Borrower contained in the Debenture and any other Loan Document; and
- (d) the performance of each obligation of Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Debenture or any other Loan Document.

Section 2.3 Debt and Other Obligations. The obligations for the payment of the Debt and the performance of the Other Obligations shall be referred to collectively herein as the “**Obligations.**”

ARTICLE 3 – BORROWER COVENANTS

Borrower covenants and agrees that:

Section 3.1 Payment of Debt. Borrower will pay the Debt at the time and in the manner provided in the Debenture and this Security Instrument.

Section 3.2 Incorporation by Reference. All the covenants, conditions and agreements contained in (a) the Debenture, (b) the Collateral Agency Agreement and (c) all and any of the other Loan Documents, are hereby made a part of this Security Instrument to the same extent and with the same force as if fully set forth herein.

Section 3.3 Insurance. Borrower shall obtain and maintain, or cause to be maintained, in full force and effect at all times insurance with respect to Borrower and the Trust Property as required pursuant to the Debenture.

Section 3.4 Taxes. Borrower shall pay all Taxes and Other Charges assessed or imposed against the Trust Property or any part thereof in accordance with the Debenture.

Section 3.5 Leases. Borrower may enter into any Lease for portions of the Trust Property with the prior approval of Lender.

Section 3.6 Intentionally Omitted.

Section 3.7 Intentionally Omitted.

Section 3.8 Payment for Labor and Materials. Borrower will (i) promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials (“**Labor and Material Costs**”) incurred in connection with the Trust Property and never permit to exist beyond the due date thereof in respect of the Trust Property or any part thereof any lien or security interest, even though inferior to the liens and the security interests hereof, and (ii) in any event never permit to be created or exist in respect of the Trust Property or any part thereof any other or additional lien or security interest other than the liens or security interests hereof except for the Permitted Encumbrances.

Section 3.9 Intentionally Omitted.

Section 3.10 Change of Name, Identity or Structure. Borrower shall not change Borrower’s name, identity (including its trade name or names) or, if not an individual, Borrower’s corporate, partnership or other structure without notifying Lender of such change in writing at least thirty (30) days prior to the effective date of such change and, in the case of a change in Borrower’s structure, without first obtaining the prior written consent of Lender. Borrower shall execute and deliver to Lender, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change reasonably required by Lender to establish or maintain the validity, perfection and priority of the security interest granted herein. At the request of Lender, Borrower shall execute a certificate in form satisfactory to Lender listing the trade names under which Borrower intends to operate the Trust Property, and representing and warranting that Borrower does business under no other trade name with respect to the Trust Property.

Section 3.11 Title. Borrower has indefeasible fee simple title to the real property comprising part of the Trust Property, free and clear of all Liens whatsoever except the Permitted Encumbrances, such other Liens as are permitted pursuant to the Loan Documents and the Liens created by the Loan Documents. The Permitted Encumbrances in the aggregate do not materially and adversely affect the value, operation or use of the Trust Property or Borrower’s ability to repay the Loan. This Security Instrument, when properly recorded in the appropriate records, together with any Uniform Commercial Code financing statements required to be filed in connection therewith, will create (a) a valid, perfected Lien on the Trust Property, subject only to Permitted Encumbrances and the Liens created by the Loan Documents and (b) perfected security interests in and to, and perfected collateral assignments of, all personalty (including the

Leases) in which a security interest can be perfected by filing, all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances, such other Liens as are permitted pursuant to the Loan Documents and the Liens created by the Loan Documents. To Borrower's knowledge, there are no claims for payment for work, labor or materials affecting the Trust Property which are past due and are or may become a Lien prior to, or of equal priority with, the Liens created by the Loan Documents unless such claims for payments are being contested in accordance with the terms and conditions of this Security Instrument. Borrower shall forever warrant, defend and preserve the title and the validity and priority of the Lien and shall forever warrant and defend the same to Lender against the claims of all Persons whomsoever.

Section 3.12 Letter of Credit Rights. If Borrower is at any time a beneficiary under a letter of credit relating to the properties, rights, titles and interests referenced in Section 1.1 of this Security Instrument now or hereafter issued in favor of Borrower, Borrower shall promptly notify Lender thereof and, at the request and option of Lender, Borrower shall, pursuant to an agreement in form and substance satisfactory to Lender, either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to Lender of the proceeds of any drawing under the letter of credit or (ii) arrange for Lender to become the transferee beneficiary of the letter of credit, with Lender agreeing, in each case that the proceeds of any drawing under the letter of credit are to be applied as provided in Section 8.2 of this Security Instrument.

ARTICLE 4 – OBLIGATIONS AND RELIANCES

Section 4.1 Relationship of Borrower and Lender. The relationship between Borrower and Lender is solely that of debtor and creditor, and Lender has no fiduciary or other special relationship with Borrower, and no term or condition of Debenture, this Security Instrument and the other Loan Documents shall be construed so as to deem the relationship between Borrower and Lender to be other than that of debtor and creditor.

Section 4.2 No Reliance on Lender. The general partners, members, principals and (if Borrower is a trust) beneficial owners of Borrower are experienced in the ownership and operation of properties similar to the Trust Property, and Borrower and Lender are relying solely upon such expertise and business plan in connection with the ownership and operation of the Trust Property. Borrower is not relying on Lender's expertise, business acumen or advice in connection with the Trust Property.

Section 4.3 No Lender Obligations. (a) Notwithstanding the provisions of Subsections 1.1(h) and (n) or Section 1.2, Lender is not undertaking the performance of (i) any obligations under the Leases; or (ii) any obligations with respect to such agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses and other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Lender pursuant to this Security Instrument, the Debenture or the other Loan Documents, including, without limitation, any Officer's Certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or Policy, Lender shall not be deemed to have warranted, consented to, or affirmed the sufficiency, the legality or

effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Lender.

Section 4.4 Reliance. Borrower recognizes and acknowledges that in accepting the Debenture, this Security Instrument and the other Loan Documents, Lender is expressly and primarily relying on the truth and accuracy of the warranties and representations of Borrower without any obligation to investigate the Trust Property and notwithstanding any investigation of the Trust Property by Lender; that such reliance existed on the part of Lender prior to the date hereof, that the warranties and representations are a material inducement to Lender in making the Loan; and that Lender would not be willing to make the Loan and accept this Security Instrument in the absence of the warranties and representations as set forth in the Debenture.

ARTICLE 5 – FURTHER ASSURANCES

Section 5.1 Compliance. Borrower shall protect and perfect the Lien or security interest hereof upon, and in the interest of Lender in, the Trust Property.

Section 5.2 Authorization to File Financing Statements; Power of Attorney. Borrower hereby authorizes Lender at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements as authorized by applicable law, as applicable to all or part of the Personal Property, including financing statements containing the description of the collateral as “all assets” or all “personal property” of the Borrower as set forth in the granting clause herein. For purposes of such filings, Borrower agrees to furnish any information requested by Lender promptly upon request by Lender. Borrower also ratifies its authorization for Lender to have filed any like initial financing statements, amendments thereto or continuation statements, if filed prior to the date of this Security Instrument. Borrower hereby irrevocably constitutes and appoints Lender and any officer or agent of Lender, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Borrower or in Borrower’s own name to execute in Borrower’s name any such documents and otherwise to carry out the purposes of this Section 5.2 to the extent that Borrower’s authorization above is not sufficient; such power of attorney to be effective only during the continuance of an Event of Default and only to the extent allowed by applicable law. To the extent permitted by law, Borrower hereby ratifies all acts said attorneys-in-fact have lawfully done in the past or shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

ARTICLE 6 – DUE ON SALE/ENCUMBRANCE

Section 6.1 No Sale/Encumbrance. Borrower shall not cause or permit a sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, grant of any options with respect to, or any other transfer or disposition (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) of a legal or beneficial interest in the Trust Property or any part thereof, Borrower or any Restricted Party, other than with the prior written consent of Lender and except for the sale of

Personal Property, Equipment and/or Fixtures that are being replaced or retired from service in the ordinary course of business.

ARTICLE 7 - PREPAYMENT; RELEASE OF PROPERTY

Section 7.1 Prepayment. The Debt may not be prepaid in whole or in part except in strict accordance with the express terms and conditions of the Debenture as set forth in Section 1.3 of the Debenture.

Section 7.2 Release of Trust Property. Borrower shall not be entitled to a release of any portion of the Trust Property from the lien of this Security Instrument except in accordance with terms and conditions of this Security Instrument and the Debenture.

ARTICLE 8 – RIGHTS AND REMEDIES UPON DEFAULT

Section 8.1 Remedies. Upon the occurrence and during the continuance of any Event of Default, Borrower agrees that Lender or Trustee may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Borrower and in and to the Trust Property by Lender itself, by Trustee, or otherwise, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Lender or Trustee:

- (a) declare the entire unpaid Debt to be immediately due and payable;
- (b) institute, or cause the Trustee to institute a proceeding or proceedings, judicial or otherwise, for the complete foreclosure of this Security Instrument under any applicable provision of law, in which case the Trust Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;
- (c) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute or cause the Trustee to institute proceedings for the partial foreclosure of this Security Instrument for the portion of the Debt then due and payable, subject to the continuing Lien and security interest of this Security Instrument for the balance of the Debt not then due, unimpaired and without loss of priority;
- (d) to the extent permitted by applicable law, cause Trustee to sell for cash or upon credit the Trust Property or any part thereof and all estate, claim, demand, right, title and interest of Borrower therein and rights of redemption thereof, pursuant to the power of sale contained herein or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law;
- (e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Debenture or in the other Loan Documents;

(f) subject to applicable law, recover judgment on the Debenture either before, during or after any proceedings for the enforcement of this Security Instrument or the other Loan Documents;

(g) apply for the appointment of a receiver, trustee, liquidator or conservator of the Trust Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Borrower, any guarantor, indemnitor with respect to the Loan or of any Person liable for the payment of the Debt;

(h) the license granted to Borrower under Section 1.2 hereof shall automatically be revoked and Lender may enter into or upon the Trust Property, either personally or by its agents, nominees or attorneys and dispossess Borrower and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Borrower and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Borrower agrees to surrender possession of the Trust Property and of such books, records and accounts to Lender upon demand, and thereupon Lender may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Trust Property and conduct the business thereat; (ii) complete any construction on the Trust Property in such manner and form as Lender deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Trust Property; (iv) exercise all rights and powers of Borrower with respect to the Trust Property, whether in the name of Borrower or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents of the Trust Property and every part thereof; (v) require Borrower to pay monthly in advance to Lender, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Trust Property as may be occupied by Borrower, but not including any vacant space; (vi) require Borrower to vacate and surrender possession of the Trust Property to Lender or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Trust Property to the payment of the Debt, in such order, priority and proportions as Lender shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, Insurance Premiums and other expenses in connection with the Trust Property, as well as just and reasonable compensation for the services of Lender, its counsel, agents and employees;

(i) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the Fixtures, the Equipment, the Personal Property or any part thereof, and to take such other measures as Lender may deem necessary for the care, protection and preservation of the Fixtures, the Equipment, the Personal Property, and (ii) request Borrower at its expense to assemble the Fixtures, the Equipment, the Personal Property and make it available to Lender at a convenient place acceptable to Lender. Any notice of sale, disposition or other intended action by Lender with respect to the Fixtures, the Equipment, the Personal Property sent to Borrower in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall constitute commercially reasonable notice to Borrower;

(j) apply any sums then deposited or held in escrow or otherwise by or on behalf of Lender in accordance with the terms of the Debenture, this Security Instrument or any other Loan Document to the payment of the following items to the extent not paid by Borrower and which are due and payable and not being contested in any order in its sole discretion:

- (i) Taxes and Other Charges;
- (ii) Insurance Premiums;
- (iii) Interest on the unpaid principal balance of the Debenture;
- (iv) intentionally omitted; or

(v) All other sums payable pursuant to the Debenture, this Security Instrument and the other Loan Documents, including, without limitation, advances made by Lender pursuant to the terms of this Security Instrument; then

(vi) Any sums remaining after the payments of items (i) through (v) shall be paid to Borrower;

(k) pursue such other remedies as Lender may have under applicable law; or

(l) apply the undisbursed balance of any Net Proceeds Deficiency deposit, together with interest thereon, to the payment of the Debt in such order, priority and proportions as Lender shall deem to be appropriate in its discretion.

In the event of a sale, by foreclosure, power of sale (to the extent permitted by applicable law) or otherwise, of less than all of Trust Property, this Security Instrument shall continue as a lien and security interest on the remaining portion of the Trust Property unimpaired and without loss of priority. The exercise of remedies to pursue a deficiency judgment or personal liability against Borrower or Guarantor shall be subject to applicable law.

Section 8.2 Application of Proceeds. The proceeds of any sale made under or by virtue of Section 8.1 hereof or upon the occurrence and during the continuance of an Event of Default, together with any other sums which then may be held by Lender under this Security Instrument, whether under the provisions of this paragraph or otherwise, shall be applied by Lender to the payment of the Debt in such priority and proportion as Lender in its sole discretion shall deem proper.

Section 8.3 Adjournment of Sale. Trustee may adjourn from time to time any sale by it to be made under or by virtue of this Security Instrument by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, Trustee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

Section 8.4 Power of Attorney. Upon the completion of any sale or sales pursuant hereto, to the extent permitted by applicable law, Trustee shall execute and deliver to

the accepted purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold by general warranty of title. Upon the occurrence and during the continuance of an Event of Default, to the extent permitted by applicable law, Trustee is hereby irrevocably appointed the true and lawful attorney of Borrower, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Trust Property and rights so sold and for that purpose, to the extent permitted by applicable law, Trustee may execute all necessary instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power, Borrower hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof. Any sale or sales made under or by virtue of this paragraph to the extent permitted by applicable law, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Borrower in and to the properties and rights so sold, and shall to the extent permitted by applicable law, be a perpetual bar both at law and in equity against Borrower and against any and all persons claiming or who may claim the same, or any part thereof from, through or under Borrower.

Section 8.5 Right to Cure Defaults. Upon the occurrence and during the continuance of any Event of Default, Lender may, but without any obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any obligation hereunder, make any payment or do any act required of Borrower hereunder in such manner and to such extent as Lender may deem necessary to protect the security hereof. All such costs and expenses incurred by Lender in remedying such Event of Default or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Default Rate (defined below), for the period after notice from Lender that such cost or expense was incurred to the date of payment to Lender. All such costs and expenses incurred by Lender together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Debt and be secured by this Security Instrument and the other Loan Documents and shall be immediately due and payable upon demand by Lender therefor. The “**Default Rate**” shall mean eighteen percent (18%) compounded monthly calculated on the basis of a 360-day year by multiplying such rate by the actual number of days in the calendar year and dividing the result by 360.

Section 8.6 Actions and Proceedings. Upon the occurrence and during the continuance of an Event of Default, Lender has the right to appear in and defend any action or proceeding brought with respect to the Trust Property and to bring any action or proceeding, in the name and on behalf of Borrower, which Lender, in its discretion, decides should be brought to protect its interest in the Trust Property.

Section 8.7 Purchase by Lender. Upon any sale made under or by virtue of this paragraph, whether made under the power of sale herein granted, to the extent permitted by applicable law, or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Lender may bid for and acquire the Trust Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Debt the net sales price after deducting therefrom the expenses of the sale and costs of the action and any other sums which Lender is authorized to deduct under this Security Instrument.

Section 8.8 Judgments. No recovery of any judgment by Lender and no levy of an execution under any judgment upon the Trust Property or upon any other property of Borrower shall affect in any manner or to any extent the lien of this Security Instrument upon the Trust Property or any part thereof (unless such recovery or levy is in full satisfaction of the Obligations), or any liens, rights, powers or remedies of Lender hereunder, but such liens, rights, powers and remedies of Lender shall continue unimpaired as before with respect to any unsatisfied Obligations.

Section 8.9 Termination of Action. Lender or Trustee may terminate or rescind any proceeding or other action brought in connection with its exercise of the remedies provided in this paragraph at any time before the conclusion thereof, as determined in Lender's sole discretion and without prejudice to Lender or Trustee.

Section 8.10 Remedies Generally. Upon the occurrence and during the continuance of an Event of Default, Lender may resort to any remedies and the security given by the Debenture, this Security Instrument or the other Loan Documents in whole or in part, and in such portions and in such order as determined by Lender's sole discretion. No such action shall in any way be considered a waiver of any rights, benefits or remedies evidenced or provided by the Debenture, this Security Instrument or any of the other Loan Documents. The failure of Lender to exercise any right, remedy or option provided in the Debenture, this Security Instrument or any of the other Loan Documents shall not be deemed a waiver of such right, remedy or option or of any covenant or obligation secured by the Debenture, this Security Instrument or the other Loan Documents. No acceptance by Lender of any payment after the occurrence of any Event of Default and no payment by Lender of any obligation for which Borrower is liable hereunder shall be deemed to waive or cure any Event of Default with respect to Borrower, or Borrower's liability to pay such obligation. No sale of all or any portion of the Trust Property, no forbearance on the part of Lender, and no extension of time for the payment of the whole or any portion of the Debt or any other indulgence given by Lender to Borrower, shall operate to release or in any manner affect the interest of Lender in the remaining Trust Property or the liability of Borrower to pay the Debt. No waiver by Lender shall be effective unless it is in writing and then only to the extent specifically stated. All costs and expenses of Lender in exercising its rights and remedies under this Article 8 (including reasonable attorneys' fees and disbursements to the extent permitted by law), shall be paid by Borrower immediately upon notice from Lender, with interest at the Default Rate for the period after notice from Lender, and such costs and expenses shall constitute a portion of the Debt and shall be secured by this Security Instrument.

Section 8.11 No Impairment of Remedies. The interests and rights of Lender under the Debenture, this Security Instrument or in any of the other Loan Documents shall not be impaired by any indulgence, including (a) any renewal, extension or modification which Lender may grant with respect to any of the Debt, (b) any surrender, compromise, release, renewal, extension, exchange or substitution which Lender may grant with respect to the Trust Property or any portion thereof; or (c) any release or indulgence granted to any maker, endorser, guarantor or surety of any of the Debt.

Section 8.12 Power of Enforcement. Upon the occurrence and during the continuation of an Event of Default, Lender may, at its option, and in addition to any and every

other remedy, request Trustee to proceed with foreclosure (which request shall be presumed), and in such event Trustee is hereby authorized and empowered and it shall be his special duty, upon such request of Lender, to (a) sell the Trust Property, or any part thereof, at public venue to the highest bidder, for cash, at the County Courthouse of the county of the State in which the Trust Property is situated in the area in such Courthouse designated by the County Commissioners for real property foreclosure sales in accordance with applicable law (or in the absence of any such designation, in the area set forth in the notice of sale hereinafter described) between the hours of 10:00 a.m. and 4:00 p.m. (commencing no earlier than such time as may be designated in the hereinafter described notice of sale) on the first Tuesday of any month, after giving legally adequate notice of the time, place and terms of said sale, and the property to be sold, by posting (or by having some person or persons acting for him post) for at least twenty-one (21) days preceding the date of the sale, written or printed notice of the proposed sale at the courthouse door of said County; or (b) sell the Trust Property at such other time, place and in accordance with such procedures and requirements as may hereinafter be provided by the laws of the State. In addition to such posting of notice the holder of the indebtedness hereby secured shall at least twenty-one (21) days preceding the date of sale serve or cause to be served written notice of the proposed sale by certified mail on Borrower and on each other debtor, if any, obligated to pay the indebtedness hereby secured according to the records of such holder, and shall at least twenty-one (21) days preceding the date of sale file written notice of the proposed sale in the County Clerk's office of the county of the State in which the Trust Property is located. Service of such notice shall be completed upon deposit of the notice, enclosed in a postpaid wrapper, properly addressed to Borrower, and such other debtors at their last known address or addresses as shown by the records of the holder of the indebtedness hereby secured in a post office or official depository under the care and custody of the United States Postal Service. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of service. Borrower agrees that no notice of any sale other than as set out in this paragraph, or as may be required by applicable law, need be given by Trustee, Lender or any other person. Borrower hereby designates as his address for the purpose of such notice, the address set out herein and agrees that such address shall be changed only by depositing notice of such change, enclosed in a postpaid wrapper, in a post office or official depository under the care and custody of the United States Postal Service, certified mail, postage prepaid, return receipt requested, addressed to the Lender at the address for the Lender set out herein (or to such other address as the Lender may have designated by notice given as above provided to Borrower). Any sale made by the Trustee hereunder may be as an entirety or in such parcels as the Lender may request, and any sale may be adjourned by announcement at the time and place appointed for such sale without further notice except as may be required by law. The sale by the Trustee of less than the whole of the Trust Property shall not exhaust the power of sale herein granted, and the Trustee is specifically empowered to make successive sale or sales under such power until the whole of the Trust Property shall be sold; and, if the proceeds of such sale of less than the whole of the Trust Property shall be less than the aggregate of the indebtedness secured hereby and the expense of executing this trust as provided herein, this Security Instrument and the lien hereof shall remain in full force and effect as to the unsold portion of the Trust Property just as though no sale had been made; provided, however, that Borrower shall never have any right to require the sale of less than the whole of the Trust Property, but the Lender shall have the right, at its sole election, to request the Trustee to sell less than the whole of the Trust Property. After each sale, the Trustee shall make to the purchaser or

purchasers at such sale good and sufficient conveyances in the name of Borrower, conveying the property so sold to the purchaser or purchasers in fee simple and shall receive the proceeds of said sale or sales and apply the same as herein provided. The power of sale granted herein shall not be exhausted by any sale held hereunder by the Trustee or his substitute or successor, and such power of sale may be exercised from time to time and as many times as the Lender may deem necessary until all of the Trust Property has been duly sold and all of the indebtedness has been fully paid. In the event any sale hereunder is not completed or is defective in the opinion of the Lender, such sale shall not exhaust the power of sale hereunder and the Lender shall have the right to cause a subsequent sale or sales to be made hereunder. In case of any sale hereunder, all prerequisites to the sale shall be presumed to have been performed. Any and all statements of fact or other recitals made in any deed or deeds given by the Trustee or any successor or substitute appointed hereunder as to nonpayment of the indebtedness secured hereby or as to the occurrence of any event of default, or as to the Lender having declared all of such indebtedness to be due and payable, or as to the request to sell, or as to notice of time, place and terms of sale and of the properties to be sold having been duly given, or as to the refusal, failure or inability to act of the Trustee or any substitute or successor, or as to the appointment of any substitute or successor trustee, or as to any other act or thing having been duly done by the Lender or by such Trustee, substitute or successor, shall be taken as prima facie evidence of the truth of the facts so stated and recited. The Trustee, his successor or substitute, may appoint or delegate any one or more persons as agent to perform any ministerial act or acts necessary or incident to any sale held by the Trustee, including the posting of notices but in the name and on behalf of the Trustee, his successor or substitute.

Section 8.13 Intentionally Omitted.

Section 8.14 Right of Entry. Upon reasonable notice to Borrower, Lender and its agents shall have the right to enter and inspect the Trust Property at all reasonable times.

Section 8.15 Bankruptcy. (a) Upon or at any time after the occurrence and continuance of an Event of Default, Lender shall have the right to proceed in its own name or in the name of Borrower in respect of any claim, suit, action or proceeding relating to the rejection of any Lease, including, without limitation, the right to file and prosecute, to the exclusion of Borrower, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of the lessee under such Lease under the Bankruptcy Code.

(b) If there shall be filed by or against Borrower a petition under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the "**Bankruptcy Code**"), and Borrower, as lessor under any Lease, shall determine to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender not less than ten (10) days' prior notice of the date on which Borrower shall apply to the bankruptcy court for authority to reject the Lease. Lender shall have the right, but not the obligation, to serve upon Borrower within such ten-day period a notice stating that (i) Lender demands that Borrower assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (ii) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender serves upon Borrower the notice described in the preceding sentence, Borrower shall not seek to reject the Lease and shall comply with the demand provided for in clause (i) of the

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

ARTICLE 9 – DUTY TO DEFEND

Section 9.1 Duty to Defend; Attorneys’ Fees and Other Fees and Expenses.

Upon written request by any Indemnified Party, Borrower shall defend same (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals reasonably approved by the Indemnified Parties. Notwithstanding the foregoing, but subject to the provisions of the Debenture, if the defendants in any such claim or proceeding include both Borrower and any Indemnified Person and Borrower and such Indemnified Person shall have reasonably concluded that there are any legal defenses available to it and/or other Indemnified Persons that are different from or additional to those available to Borrower, to the extent permitted by law, such Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such Indemnified Person, provided that no compromise or settlement shall be entered without Borrower’s consent, which consent shall not be unreasonably withheld. Upon demand, Borrower shall pay or, in the sole and absolute discretion of such Indemnified Persons, reimburse, such Indemnified Persons for the payment of reasonable third-party fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

ARTICLE 10- ENVIRONMENTAL HAZARDS

Section 10.1 Environmental Covenants. Borrower has received no written notice of violations of applicable laws regarding environmental matters.

Section 10.2 Lender’s Rights. Borrower shall allow Lender to inspect and have access to the Trust Property.

ARTICLE 11 – WAIVERS

Section 11.1 Intentionally Omitted.

Section 11.2 Marshalling and Other Matters. To the extent permitted by applicable law, Borrower hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Trust Property or any part thereof or any interest therein. Further, Borrower hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Security Instrument on behalf of Borrower, and on behalf of each and every person acquiring any interest in or title to the Trust Property subsequent to the date of this Security Instrument and on behalf of all persons to the extent permitted by applicable law.

Section 11.3 Waiver of Notice. Borrower shall not be entitled to any notices of any nature whatsoever from Lender or Trustee except with respect to matters for which this

Security Instrument or the Debenture specifically and expressly provides for the giving of notice by Lender or Trustee to Borrower and except with respect to matters for which Lender or Trustee is required by applicable law to give notice, and Borrower hereby expressly waives the right to receive any notice from Lender or Trustee with respect to any matter for which this Security Instrument does not specifically and expressly provide for the giving of notice by Lender or Trustee to Borrower, to the extent permitted by applicable law.

Section 11.4 Waiver of Statute of Limitations. To the extent permitted by applicable law, Borrower hereby expressly waives and releases to the fullest extent permitted by law, the pleading of any statute of limitations as a defense to payment of the Debt or performance of its Other Obligations.

Section 11.5 Survival. The liability for a breach of the representations and warranties described in Section 10.1 herein made pursuant to Section 10.1 herein shall fully survive indefinitely notwithstanding any termination, satisfaction, assignment, entry of a judgment of foreclosure, exercise of any power of sale, or delivery of a deed in lieu of foreclosure of this Security Instrument, except that, upon payment in full of the Loan or full defeasance of the Loan, Borrower shall be released from liability under Section 10.1 hereof upon delivery to Lender of a Phase I environmental report in form and substance and from an engineer reasonably acceptable to Lender and dated no earlier than the date on which the Loan is paid in full or defeased in full. For purposes of this Section 11.5, such Phase I environmental report shall be deemed acceptable to Lender if such report indicates no change in any material respect from the Environmental Report.

Section 11.6 WAIVER OF TRIAL BY JURY. BORROWER AND LENDER EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND LENDER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH OF LENDER AND BORROWER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY BORROWER AND LENDER.

ARTICLE 12 – Intentionally Omitted

ARTICLE 13 – NOTICES

All notices or other written communications hereunder shall be delivered in accordance with the Debenture.

ARTICLE 14 – APPLICABLE LAW

Section 14.1 Governing Law. (a) THIS SECURITY INSTRUMENT WAS NEGOTIATED IN THE STATE OF NEVADA, THE LOAN WAS MADE BY LENDER AND ACCEPTED BY BORROWER IN THE STATE OF NEVADA, AND THE PROCEEDS OF THE LOAN DELIVERED PURSUANT HERETO WERE DISBURSED FROM THE STATE OF NEVADA, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS SECURITY INSTRUMENT, THE DEBENTURE AND THE OTHER LOAN DOCUMENTS AND THE OBLIGATIONS ARISING HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PRIORITY, VALIDITY, PERFECTION, AND ENFORCEMENT OF THE LIEN AND SECURITY INTEREST CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE TRUST PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEVADA SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS SECURITY INSTRUMENT, THE DEBENTURE AND THE OTHER LOAN DOCUMENTS, AND THIS SECURITY INSTRUMENT, THE DEBENTURE AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEVADA.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS SECURITY INSTRUMENT MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF MINDEN, COUNTY OF DOUGLAS, PURSUANT TO NEVADA LAW, AND ANY LEGAL SUIT, ACTION OR PROCEEDING TO FORECLOSE THIS SECURITY INSTRUMENT SHALL BE INSTITUTED IN STATE OR FEDERAL COURT IN THE COUNTY IN WHICH THE TRUST PROPERTY IS LOCATED, AND BORROWER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING.

Section 14.2 Usury Laws. Notwithstanding anything to the contrary, (a) all agreements and communications between Borrower and Lender are hereby and shall automatically be limited so that, after taking into account all amounts deemed interest, the interest contracted for, charged or received by Lender shall never exceed the Maximum Legal Rate (as defined below) or amount, (b) in calculating whether any interest exceeds the Maximum Legal Rate, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of Borrower to Lender, and (c) if through any contingency or event, Lender receives or is deemed to receive interest in excess of the Maximum Legal Rate, any such excess shall be deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of Borrower to Lender without any prepayment premium or penalty, or if there is no such indebtedness, shall immediately be returned to Borrower. As used herein, the term “Maximum Legal Rate” shall mean the maximum legal rate of interest a secured lender may charge pursuant to the laws of the State of Nevada, if any such maximum is from time to time established.

Section 14.3 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Security Instrument may be exercised only to the extent that the exercise thereof does not violate or conflict with any applicable provisions of law, including, without limitation, Gaming Laws (as defined below) and are intended to be limited to the extent necessary so that they will not render this Security Instrument invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Security Instrument or any application thereof shall be invalid or unenforceable, the remainder of this Security Instrument and any other application of the term shall not be affected thereby. For purposes hereof, “Gaming Laws” means all laws pursuant to which the Nevada Gaming Commission, the Nevada State Gaming Control Board, or any other governmental authority regulates, licenses, or permits gaming or casino activities conducted by Borrower.

ARTICLE 15 – DEFINITIONS

All capitalized terms not defined herein shall have the respective meanings set forth in the Debenture. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Security Instrument may be used interchangeably in singular or plural form and the word “**Borrower**” shall mean “each Borrower and any subsequent owner or owners of the Trust Property or any part thereof or any interest therein,” the word “**Lender**” shall mean “Lender and any subsequent holder of the Debenture,” the word “**Debenture**” shall mean “the a convertible debenture in the principal amount stated in Schedule A thereto and any other evidence of indebtedness secured by this Security Instrument,” the word “**Trust Property**” shall include any portion of the Trust Property and any interest therein, and the phrases “**attorneys’ fees**,” “**legal fees**” and “**counsel fees**” shall include any and all reasonable attorneys’, paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Lender in protecting its interest in the Trust Property, the Leases and the Rents and enforcing its rights hereunder.

ARTICLE 16 – MISCELLANEOUS PROVISIONS

Section 16.1 No Oral Change. This Security Instrument, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 16.2 Successors and Assigns. This Security Instrument shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns forever.

Section 16.3 Inapplicable Provisions. If any term, covenant or condition of the Debenture, this Security Instrument is held to be invalid, illegal or unenforceable in any respect, the Debenture and this Security Instrument shall be construed without such provision.

Section 16.4 Headings, etc. The headings and captions of various Sections of this Security Instrument are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 16.5 Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

Section 16.6 Subrogation. If any or all of the proceeds of the Debenture have been used to extinguish, extend or renew any indebtedness heretofore existing against the Trust Property, then, to the extent of the funds so used, Lender shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Trust Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Lender and are merged with the lien and security interest created herein as cumulative security for the repayment of the Debt, the performance and discharge of Borrower's obligations hereunder, under the Debenture, and the other Loan Documents and the performance and discharge of the Other Obligations.

Section 16.7 Entire Agreement. The Debenture, this Security Instrument and the other Loan Documents constitute the entire understanding and agreement between Borrower and Lender with respect to the transactions arising in connection with the Debt and supersede all prior written or oral understandings and agreements between Borrower and Lender with respect thereto. Borrower hereby acknowledges that, except as incorporated in writing in the Debenture, the Debenture, this Security Instrument and the other Loan Documents, there are not, and were not, and no Persons are or were authorized by Lender to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transaction which is the subject of the Debenture, this Security Instrument and the other Loan Documents.

Section 16.8 Limitation on Lender's Responsibility. No provision of this Security Instrument shall operate to place any obligation or liability for the control, care,

management or repair of the Trust Property upon Lender, nor shall it operate to make Lender responsible or liable for any waste committed on the Trust Property by the tenants or any other Person, or for any dangerous or defective condition of the Trust Property, or for any negligence in the management, upkeep, repair or control of the Trust Property resulting in loss or injury or death to any tenant, licensee, employee or stranger except for Lender's gross negligence, intentional misconduct or bad faith. Nothing herein contained shall be construed as constituting Lender a "mortgagee in possession."

Section 16.9 Termination. If Borrower shall well and truly defease the Loan in full or pay to Lender the Debt, at the time and in the manner provided in the Debenture and this Security Instrument, shall well and truly perform the Other Obligations as set forth in this Security Instrument and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Debenture and the other Loan Documents, this Security Instrument shall become and be void and of no effect or shall be assigned and/or reconveyed, as applicable; provided, however, that Borrower's obligation to indemnify and hold harmless Lender pursuant to the provisions hereof shall survive any such payment or release.

Section 16.10 Gaming Approval. Lender and Trustee acknowledge, understand and agree that, to the extent the prior approval of the gaming authorities of the State of Nevada is required pursuant to applicable law for the exercise, operation and effectiveness of any remedy hereunder or under any other Loan Document, or the taking of any action that may be taken by Lender or Trustee hereunder or under any other Loan Document, including without limitation the taking of possession and disposition of collateral consisting of gaming devices, cashless wagering systems and associated equipment (as those terms are defined in Nevada Revised Statutes 463.0155, 463.0136 and 463.014), such remedy or action shall be subject to such prior approval of the gaming authorities of the State of Nevada and the Lender or Trustee may be subject to being called forward for licensing or a finding of suitability.

Section 16.11 Second Lien. The lien created by this Security Instrument on the Trust Property described herein is junior and subordinate to the lien on such property created by any mortgage, deed of trust or similar instrument now or hereafter granted to ABC Funding LLC, and its successors and assigns, in such Trust Property, to the extent provided by the Intercreditor and Subordination Agreement dated as of June 8, 2016 among ABC FUNDING, LLC, a Delaware limited liability company, PARAGON HRLT HOLDINGS LLC, a Nevada limited liability company and NEVA ONE, LLC, a Nevada limited liability company.

ARTICLE 17- DEED OF TRUST PROVISIONS

Section 17.1 Concerning the Trustee. Trustee shall be under no duty to take any action hereunder except as expressly required hereunder or by law, or to perform any act which would involve Trustee in any expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to Trustee's reasonable satisfaction. Trustee, by acceptance of this Security Instrument, covenants to perform and fulfill the trusts herein created, being liable, however, only for willful negligence or misconduct, and hereby waives any statutory fee and agrees to accept reasonable compensation, in lieu thereof, for any services rendered by Trustee in accordance with the terms hereof.

Section 17.2 Trustee's Fees. Borrower shall pay all reasonable costs, fees and expenses permitted by law to be incurred by Trustee and Trustee's agents and counsel in connection with the performance by Trustee of Trustee's duties hereunder and all such costs, fees and expenses shall be secured by this Security Instrument.

Section 17.3 Certain Rights. With the approval of Lender and to the extent permitted by law, Trustee shall have the right to take any and all of the following actions: (i) to select, employ, and advise with counsel (who may be, but need not be, counsel for Lender) upon any matters arising hereunder, including the preparation, execution, and interpretation of the Debenture, this Security Instrument or the other Loan Documents, and shall be fully protected in relying as to legal matters on the advice of counsel, (ii) to execute any of the trusts and powers hereof and to perform any duty hereunder either directly or through his agents or attorneys, (iii) to select and employ, in and about the execution of his duties hereunder, suitable accountants, engineers and other experts, agents and attorneys-in-fact, either corporate or individual, not regularly in the employ of Trustee, and Trustee shall not be answerable for any act, default, negligence, or misconduct of any such accountant, engineer or other expert, agent or attorney-in-fact, if selected with reasonable care, or for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except for Trustee's gross negligence or bad faith, and (iv) any and all other lawful action as Lender may instruct Trustee to take to protect or enforce Lender's rights hereunder. Trustee shall not be personally liable in case of entry by Trustee, or anyone entering by virtue of the powers herein granted to Trustee, upon the Trust Property for debts contracted for or liability or damages incurred in the management or operation of the Trust Property. Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting an action taken or proposed to be taken by Trustee hereunder, believed by Trustee in good faith to be genuine. Trustee shall be entitled to reimbursement for actual reasonable expenses permitted to be incurred by Trustee in the performance of Trustee's duties hereunder and to reasonable compensation for such of Trustee's services hereunder as shall be rendered.

Section 17.4 Retention of Money. All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required or permitted by applicable law) and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.

Section 17.5 Perfection of Appointment. Should any deed, conveyance, or instrument of any nature be required from Borrower by Trustee to more fully and certainly vest in and confirm to the Trustee such estates rights, powers, and duties, then, upon request by the Trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by Borrower.

ARTICLE 18 – STATE - SPECIFIC PROVISIONS

Section 18.1 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article 18 and the terms and conditions of this Security Instrument, the terms and conditions of this Article 18 shall control and be binding.

Section 18.2 Fixture Filing. This Security Instrument is intended to be a fixture filing under NRS § 104.9502.

Section 18.3 Incorporation of Certain Nevada Covenants. The following covenants, Nos. 1, 3, 4 (at the Default Rate), 6, 7 (counsel fees as determined in the Debenture), 8 and 9 of NRS § 107.030, are hereby adopted and made a part of this Security Instrument. Upon the occurrence and during the continuance of any Event of Default, Lender may (a) declare all sums secured immediately due and payable without demand or notice or (b) have a receiver appointed as a matter of right without regard to the sufficiency of said property or any other security or guaranty and without any showing as required by NRS § 107.100. All remedies provided in this Security Instrument are distinct and cumulative to any other right or remedy under this Security Instrument or afforded by law or equity and may be exercised concurrently, independently or successively. The sale of said property conducted pursuant to Covenants Nos. 6, 7 and 8 of NRS § 107.030 may be conducted either as to the whole of said property or in separate parcels and in such order as Trustee may determine.

Section 18.4 Power of Sale.(a) During the continuance of an Event of Default, Lender may, subject to NRS 107.080, declare all sums secured hereby immediately due by delivery to Trustee of a written notice of breach and election to sell (which notice Trustee shall cause to be recorded and mailed as required by law) and shall surrender to Trustee this Security Instrument and the Debenture.

(b) After three (3) months shall have elapsed following recordation of any such notice of breach, and such Event of Default is continuing, Trustee shall sell the Property subject hereto at such time and at such place in the State of Nevada as Trustee, in its sole discretion, shall deem best to accomplish the objects of these trusts, having first given notice of such sale as then required by law. In the conduct of any such sale Trustee may act itself or through any auctioneer, agent or attorney. The place of sale may be either in the county in which the Property to be sold, or any part thereof, is situated, or at an office of the Trustee located in the State of Nevada.

(i) Upon the request of Lender or if required by law Trustee shall postpone sale of all or any portion of the Property or interest therein by public announcement at the time fixed by said notice of sale, and shall thereafter postpone said sale from time to time by public announcement at the time previously appointed.

(ii) At the time of sale so fixed, Trustee shall sell the Property so advertised or any part thereof or interest therein either as a whole or in separate parcels, as Lender may determine in its sole and absolute discretion, to the highest bidder for cash in lawful money of the United States, payable at time of sale, and shall deliver to such purchaser a deed or deeds or other appropriate instruments conveying the Property so sold, but without covenant or warranty, express or implied. Lender and Trustee may bid and purchase at such sale. To the extent of the indebtedness secured hereby, Lender need not bid for cash at any sale of all or any portion of the Property pursuant hereto, but the amount of any successful bid by Lender shall be applied in reduction of said indebtedness. Borrower hereby agrees, if it is then still in possession, to surrender, immediately and without demand, possession of said property to any purchaser.

(iii) Trustee shall apply the proceeds of any such sale to payment of expenses of sale and all charges and expenses of Trustee and of these trusts, including cost of evidence of title and Trustee's fee in connection with sale; all sums expended under the terms hereof, not then repaid, with accrued interest at the Default Rate; all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

Section 18.5 Rescission. Lender, from time to time before Trustee's sale, may rescind any notice of breach and election to sell by executing, delivering and causing Trustee to record a written notice of such rescission. The exercise by Lender of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring, or impair the right of Lender to execute and deliver to Trustee, as above provided, other notices of breach and election to sell, nor otherwise affect any term, covenant or condition hereof or under any obligation secured hereby, or any of the rights, obligations or remedies of the parties thereunder.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, this Security Instrument has been executed by Borrower as of the day and year first above written.

BORROWER:

Neva One, LLC, a Nevada limited liability company

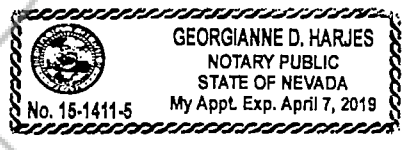
By: Park Heritage, a Nevada corporation, its sole member

By: Jon Park
Jon Park
President, authorized signatory

State of Nevada
County of. Douglas

This instrument was acknowledged before me on 8th day of June, 2016 by
Jon Park as
authorized signatory of Park Heritage

Georgianne D. Harjes
(Signature of notarial officer)
(Seal, if any)



State of Nevada
County of. _____

This instrument was acknowledged before me on _____ day of _____, 2016 by
_____ as
_____ of _____.

(Signature of notarial officer)
(Seal, if any)

EXHIBIT A

LEGAL DESCRIPTION

Parcel 1:

A parcel of land located within a portion of the East 1/2 of Section 27, Township 13 North, Range 18 East, M.D.B &M., Douglas County, Nevada, being more particularly described as follows:

Commencing at a point, being the intersection of the Westerly right of way line of U.S. Highway 50 and the Nevada/California State line, which bears South 48°39'46" East 991.89 feet from the General Land Office State Line Monument as shown on the Record of Survey for Park Cattle Company, Document No. 155945 of the Douglas County Recorder's office;

Thence North 27°59'57" East, along said Westerly right of way line, 745.71 feet to the True Point of Beginning; thence North 62°01'24" West, 1105.54 feet to a Brass Cap in concrete; thence North 27°58'53" East, 713.86 feet to a 5/8" rebar and cap marked LS#625 on the Southerly right of way line of Loop Road per Document No. 24881 of the Douglas County Recorder's office; thence 161.15 feet along said Southerly right of way line and along the arc of a curve to the right having a central angle of 07°53'30" and a radius of 1170.00 feet (chord bears North 73°30'38" East, 161.02 feet); thence South 62°00'03" East, 990.89 feet to said Westerly right of way line; thence South 27°59'57" West, along said Westerly right of way line, 826.26 feet to the Point of Beginning.

Said land is also shown on that certain Record of Survey Supporting a Boundary Line Adjustment for Park Cattle Co., filed in the office of the County Recorder of Douglas County, State of Nevada on March 27, 1992, in Book 392, Page 4659 as Document No. 274260, Official Records.

APN: 1318-27-001-009

Parcel 2:

A parcel of land located within a portion of the East 1/2 of Section 27, Township 13 North, Range 18 East, M.D.B. &M., Douglas County, Nevada, being more particularly described as follows:

Commencing at a point, being the intersection of the Westerly right of way line of U.S. Highway 50 and the Nevada/California State line, which bears South 48°39'46" East 991.89 feet from the General Land Office State Line Monument as shown on the Record of Survey for Park Cattle Company, Document No. 155945 of the Douglas County Recorder's office;

Thence North 27°59'57" East along said Westerly right of way line, 1571.97 feet to the True Point of Beginning; thence North 62°00'03" West 990.89 feet to the Southerly right of way of Loop Road per Document No. 24881 of the Douglas County Recorder's Office; thence 657.67 feet along said Southerly right of way line and along the arc of a curve to the right having a central angle of 32°12'23" and a radius of 1170.00 feet, (chord bears South 86°26'25" East 649.04 feet), to the Northwest corner of the First Interstate Bank parcel; thence South 27°59'57" West along the Westerly line of said parcel, 187.06 feet; thence South 62°00'03" East, along the Southerly line of said parcel, 400.00 feet to said Westerly right of way line; thence South 27°59'57" West along said Westerly right of way line, 81.47 feet to the Point of Beginning.

Said land is also shown on that certain Record of Survey Supporting a Boundary Line Adjustment for Park Cattle Co., filed in the office of the County Recorder of Douglas County, State of Nevada on March 27, 1992, in Book 392, Page 4659 as Document No. 274260, Official Records.

APN 1318-27-001-011

The above legal description was contained in that certain Grant, Bargain, Sale Deed recorded January 29, 2014 in Book 114, Page 4801 through 4804 as Document No. 837479, of Official Records

COPY