

APN # 1319-30-544-000

See additional parcels on the attached exhibit

Order No. 23000120031

Recording Requested by:

Name: Sheppard, Mullin, Richter & Hampton LLP

Attention: David D'Amour, Esq

Address: 650 Town Center Drive, 10th Floor

City/State/Zip: Costa Mesa, CA 92626-1925

Mail Tax Statements To:

Name: New Peak Tahoe LLC

Address: 6030 Seabluff Drive, #315

City/State/Zip: Playa Vista, California 90094

Title of Document (Required)

CONSTRUCTION DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS
AND SECURITY AGREEMENT

Please complete Affirmation Statement below:



I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does NOT contain the personal information of any person(s): Per NRS 239B.030)

Signature

This page added to provide additional information required by NRS 111.312 Sections 1-2

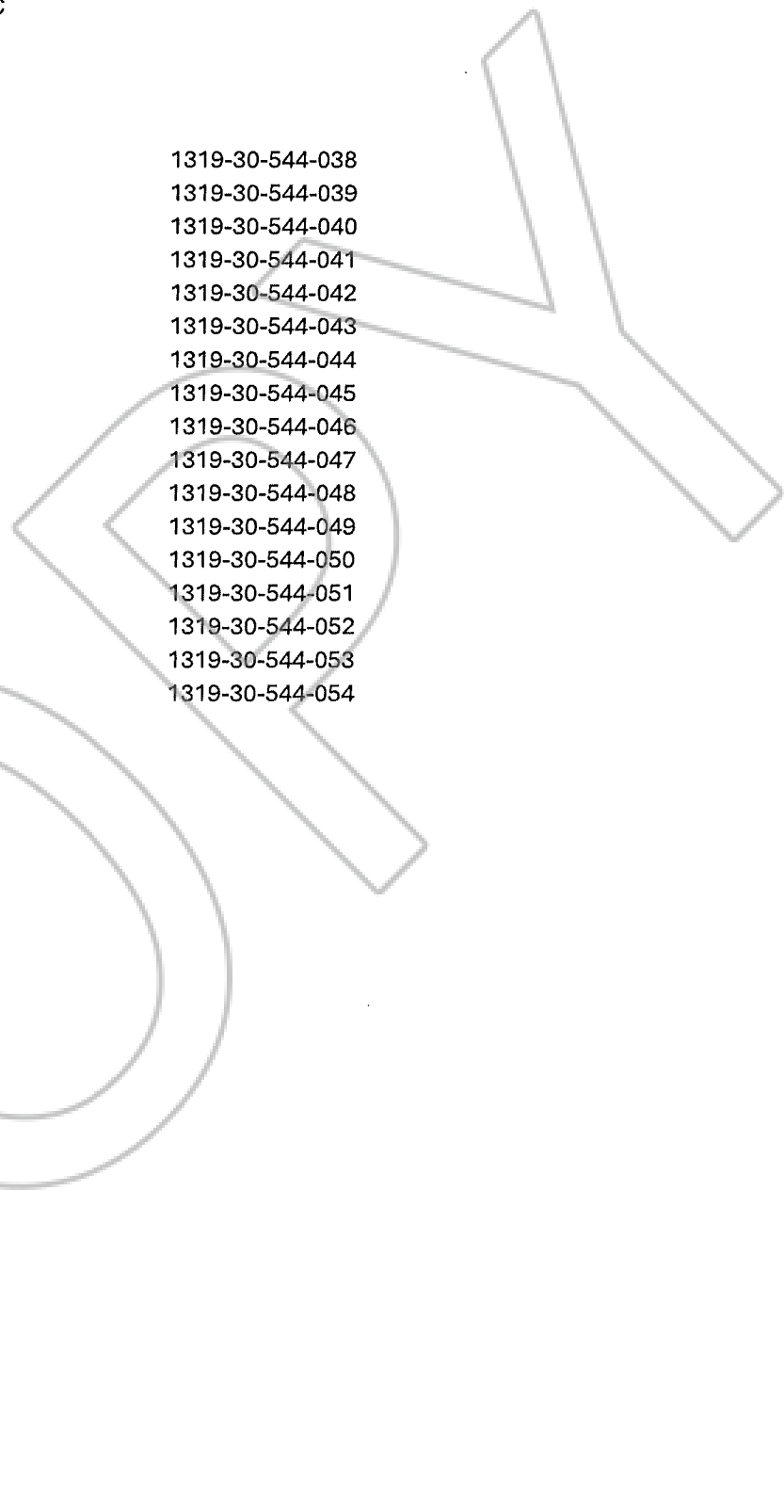
(Additional recording fee applies). This cover page must be typed or printed clearly in black ink only.

PEAK TAHOE LLC- NEW PEAK TAHOE LLC

EXHIBIT "A" PARCEL NUMBERS

1319-30-544-000
1319-30-544-001
1319-30-544-002
1319-30-544-003
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1319-30-544-052
1319-30-544-053
1319-30-544-054



Assessor's Parcel No(s): 1319-30-544-001, thru 1319-30-544-012, 1319-30-544-014 thru 1319-30-544-025, 1319-30-544-027 thru 1319-30-544-038, 1319-30-544-040 thru 1319-30-544-051, 1319-30-544-053

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

Sheppard, Mullin, Richter & Hampton LLP
650 Town Center Drive, 10th Floor
Costa Mesa, CA 92626-1925
Attn: David D'Amour, Esq.

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

NEW PEAK TAHOE LLC
(Trustor)

to

STEWART TITLE GUARANTY COMPANY
(Trustee)

for the Benefit of

PRP-PEAK V, LLC
(Beneficiary)

**CONSTRUCTION DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS
AND SECURITY AGREEMENT**

Dated: April 30, 2024

Property Location: 323 Tramway Drive, Stateline, Nevada

**CONSTRUCTION DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS
AND SECURITY AGREEMENT**

This CONSTRUCTION DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT (this "**Security Instrument**"), is made as of April 30, 2024 by **NEW PEAK TAHOE LLC**, a Delaware limited liability company, having an office at 6030 Seabluff Drive, #315, Playa Vista, California 90094, as trustor ("**Borrower**"), to **STEWART TITLE GUARANTY COMPANY**, having an address at 1360 Post Oak Blvd, Suite 100, Houston, Texas 77056, as trustee ("**Trustee**"), for the benefit of **PRP-PEAK V, LLC**, a Delaware limited liability company, having an address at 575 Fifth Avenue, New York, New York 10017, as assignee (together with its successors and assigns, hereinafter referred to as "**Lender**").

Borrower and Lender have entered into that certain Construction Loan Agreement, dated as of the date hereof (as amended, modified, restated, consolidated, replaced or supplemented from time to time, the "**Loan Agreement**"), pursuant to which Lender is making a secured loan to Borrower in the maximum principal amount of \$39,000,000.00 (the "**Loan**"). Capitalized terms used herein without definition are used as defined in the Loan Agreement. The Loan is evidenced by that certain Promissory Note, dated the date hereof, made by Borrower to Lender in such principal amount (as the same may be amended, modified, restated, severed, consolidated, renewed, replaced, or supplemented from time to time, the "**Note**").

To secure the payment of the Note and all sums which may or shall become due thereunder or under any of the other documents evidencing, securing or executed in connection with the Loan (the Note, this Security Instrument, the Loan Agreement and such other documents, as any of the same may, from time to time, be modified, amended, restated, replaced or supplemented, being hereinafter collectively referred to as the "**Loan Documents**"), including (i) the payment of interest and other amounts which would accrue and become due but for the filing of a petition in bankruptcy (whether or not a claim is allowed against Borrower for such interest or other amounts in any such bankruptcy proceeding) or the operation of the automatic stay under Section 362(a) of Title 11 of the United States Code (the "**Bankruptcy Code**"), and (ii) the costs and expenses of enforcing any provision of any Loan Document (all such sums being hereinafter collectively referred to as the "**Debt**"), Borrower has given, granted, bargained, sold, alienated, conveyed, confirmed, warranted, pledged, assigned and hypothecated and by these presents does hereby give, grant, bargain, sell, alien, convey, confirm, warrant, pledge, assign and hypothecate unto Trustee, in trust for the benefit of Lender, WITH POWER OF SALE, all of Borrower's right, title and interest in and to the land described in **Exhibit "A"** (the "**Premises**"), and together with the buildings, structures, fixtures and other improvements now or hereafter located thereon (the "**Improvements**"), including (x) all of the Units (as described on **Exhibit "A"** hereto, the "**Units**"), and (y) all common areas, common facilities, and any limited common elements appurtenant to the Units (collectively, the property described in (x) and (y) being referred to herein as the "**Residential Units**"), and including any rights of first refusal (including such rights arising under Section 363(i) of the Bankruptcy Code), purchase options or other similar rights afforded to Borrower, all rights under any bylaws and/or condominium declaration affecting or relating to the Residential Units, together with any amendments thereto, and all other equivalent documents together with all such modifications to such documents now

or hereafter in effect, which affect the Residential Units (collectively, the “*Condominium Documents*”);

TOGETHER WITH: all right, title, interest and estate of Borrower now owned, or hereafter acquired, in and to the following property, rights, interests and estates (the Premises, the Improvements, and the property, rights, interests and estates hereinafter described are collectively referred to herein as the “*Property*”):

(a) all easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, rights to oil, gas, minerals, coal and other substances of any kind or character, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Premises and the Improvements; and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road, highway, alley or avenue, opened, vacated or proposed, in front of or adjoining the Premises, to the center line thereof; and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Borrower of, in and to the Premises and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(b) all machinery, furniture, furnishings, equipment, computer software and hardware, fixtures (including all heating, air conditioning, plumbing, lighting, communications and elevator fixtures), inventory, materials, supplies and other articles of personal property and accessions thereof, renewals and replacements thereof and substitutions therefor, and other property of every kind and nature, tangible or intangible, owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Premises or the Improvements, or appurtenant thereto, and usable in connection with the present or future operation and occupancy of the Premises and the Improvements, including, but not limited to, all items of personal property located within or adjacent to the Improvements (hereinafter collectively referred to as the “*Equipment*”), including any leases of, deposits in connection with, and proceeds of any sale or transfer of any of the foregoing, and the right, title and interest of Borrower in and to any of the Equipment that may be subject to any “security interest” as defined in the Uniform Commercial Code, as in effect in the State where the Property is located (the “*UCC*”), superior in lien to the lien of this Security Instrument;

(c) all awards or payments, including interest thereon, that may heretofore or hereafter be made with respect to the Premises or the Improvements, whether from the exercise of the right of eminent domain or condemnation (including any transfer made in lieu of or in anticipation of the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Premises or Improvements;

(d) all leases, subleases and other agreements or arrangements heretofore or hereafter entered into affecting the use, enjoyment or occupancy of, or the conduct of any activity upon or in, the Premises or the Improvements, including any extensions, renewals, modifications or amendments thereof (hereinafter collectively referred to as the “*Leases*”) and all rents, rent equivalents, security deposits (whether in the form of cash or letter of credit), moneys payable as damages (including payments by reason of the rejection of a Lease in a Bankruptcy

Proceeding), or in lieu of rent or rent equivalents, royalties (including all oil and gas or other mineral royalties and bonuses), income, fees, receivables, receipts (including credit card receipts), revenues, deposits (including security, utility and other deposits), accounts, accounts receivable, cash, issues, profits, charges for services rendered, customer obligations, installment payment obligations, and other payment obligations and consideration of whatever form or nature received by or paid to or for the account of or benefit of Borrower, or any of its agents or employees from any and all sources arising from or attributable to the sale, lease, sublease, license, concession or other grant of the right of the use, enjoyment and occupancy of the Premises and/or the Improvements, now existing or hereafter arising or created, and proceeds, if any, from business interruption or other loss of income insurance (hereinafter collectively referred to as the "**Rents**"), together with 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;

(e) all proceeds of and any unearned premiums on any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property;

(f) the right, in the name and on behalf of Borrower, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Lender in the Property;

(g) all accounts (including reserve accounts), escrows, documents, instruments, chattel paper, claims, deposits and general intangibles, as the foregoing terms are defined in the UCC, and all franchises, trade names, trademarks, symbols, service marks, books, records, plans, specifications, designs, drawings, surveys, title insurance policies, permits, consents, licenses, management agreements, contract rights (including any contract with any architect or engineer or with any other provider of goods or services for or in connection with any construction, repair or other work upon the Property), approvals, actions, refunds of real estate taxes and assessments (and any other governmental impositions related to the Property) and causes of action that now or hereafter relate to, are derived from or are used in connection with the Property, or the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business or activities thereon (hereinafter collectively referred to as the "**Intangibles**");

(h) all agreements (including, without limitation, the Architect Contract, the Engineer Contract and the General Contractor's Agreement), contracts (including, without limitation, service, supply and maintenance contracts), registrations, permits, licenses (including, without limitation, liquor licenses, if any, to the fullest extent assignable by Borrower), franchise, plans, specifications, so called "patronage" agreements, agreements relating to the collection of receivables or use of customer lists, all bookings and reservations for space within the Improvements or other information, 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 Property, or respecting any business or activity conducted from the Property, and all right, title and interest of Borrower therein and thereunder, including, without limitation, the right, while an Event of Default remains uncured, to receive and collect any sums payable to Borrower thereunder;

(i) all of Borrower's rights and interests as declarant, developer or owner (or any substantially similar rights and interests, regardless of title or designation), if any, whether now possessed or hereafter obtained, under any declarations, covenants, restrictions, easements or similar agreements encumbering all or any portion of the Property, including the Condominium Declaration;

(j) all of Borrower's right, title, and interest in and to any and all Residential Units, the Common Area, the Common Facilities or the Limited Common Elements (as such terms are defined in the Condominium Documents), declarant rights, sponsor rights, development rights, and any other rights relating to the Premises or the Improvements, whether now existing or subsequently arising, under any and all of the Condominium Documents, including condominium declarations, covenants, conditions, and restrictions, development agreements, or other agreements or declarations now existing or later executed relating to the Premises or Improvements, and all laws now existing or later enacted relating to the Premises or Improvements, including those relating to condominiums, and all rights of Borrower in connection with any owner's association, condominium association, architectural control committee, or similar association or committee, including Borrower's rights and powers to elect, appoint, and remove officers and directors of any such associations or committees; and

(k) all proceeds, products, offspring, rents and profits from any of the foregoing, including those from sale, exchange, transfer, collection, loss, damage, disposition, substitution or replacement of any of the foregoing.

Without limiting the generality of any of the foregoing, in the event that a case under the Bankruptcy Code is commenced by or against Borrower, pursuant to Section 552(b)(2) of the Bankruptcy Code, the security interest granted by this Security Instrument shall automatically extend to all Rents acquired by Borrower after the commencement of the case and shall constitute cash collateral under Section 363(a) of the Bankruptcy Code.

TO HAVE AND TO HOLD the Property unto and to the use and benefit of Lender and its successors and assigns, forever;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Borrower shall well and truly pay to Lender the Debt at the time and in the manner provided in the Loan Documents and shall well and truly abide by and comply with each and every covenant and condition set forth in the Loan Documents in a timely manner, Lender shall cause the Trustee to execute and deliver a deed of full reconveyance of this Deed of Trust;

AND Borrower represents and warrants to and covenants and agrees with Lender as follows:

1. Payment of Debt and Incorporation of Covenants, Conditions and Agreements. Borrower shall pay the Debt at the time and in the manner provided in the Loan Documents. All the covenants, conditions and agreements contained in the 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. Without limiting the generality of the foregoing, Borrower (i) agrees to insure, repair, maintain and restore damage to the Property, pay Taxes, and comply with Legal

Requirements, in accordance with the Loan Agreement, and (ii) agrees that the Proceeds of Insurance and Awards for Condemnation shall be settled, held and applied in accordance with the Loan Agreement.

2. Leases and Rents.

(a) Borrower does hereby absolutely and unconditionally assign to Lender all of Borrower's right, title and interest in all current and future Leases and Rents, it being intended by Borrower that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Such assignment shall not be construed to bind Lender to the performance of any of the covenants or provisions contained in any Lease or otherwise impose any obligation upon Lender. Nevertheless, subject to the terms of this Section 2(a), Lender grants to Borrower a revocable license to operate and manage the Property and to collect the Rents subject to the requirements of the Loan Agreement (including the deposit of Rents into the Clearing Account). Upon an Event of Default, without the need for notice or demand, the license granted to Borrower herein shall automatically be revoked, and Lender shall immediately be entitled to possession of all Rents in (or required by the terms of the Loan Documents to be deposited in) the Clearing Account, the Deposit Account (including all Subaccounts thereof) and all Rents collected thereafter (including Rents past due and unpaid), whether or not Lender enters upon or takes control of the Property. Borrower hereby grants and assigns to Lender the right, at its option, upon revocation of the license granted herein, to enter upon the Property in person, by agent or by court-appointed receiver to collect the Rents. Any Rents collected after the revocation of such license may be applied toward payment of the Debt in such priority and proportions as Lender in its sole discretion shall deem proper.

(b) Borrower shall not enter into, modify, amend, cancel, terminate or renew any Lease except as provided in Section 5.10 of the Loan Agreement.

3. Use of Property. Borrower shall not initiate, join in, acquiesce in or consent to any change in any private restrictive covenant, zoning law or other public or private restriction, limiting or defining the uses which may be made of the Property. If under applicable zoning provisions the use of the Property is or shall become a nonconforming use, Borrower shall not cause or permit such nonconforming use to be discontinued or abandoned without the consent of Lender. Borrower shall not (i) change the use of the Property, (ii) permit or suffer to occur any waste on or to the Property, (iii) amend the Condominium Documents without Lender's consent pursuant to the terms and conditions of the Loan Agreement or (iv) take any steps to convert the Property to a cooperative form of ownership.

4. Transfer or Encumbrance of the Property.

(a) Borrower acknowledges that (i) Lender has examined and relied on the creditworthiness and experience of the principals of Borrower in owning and operating properties such as the Property in agreeing to make the Loan, (ii) Lender will continue to rely on Borrower's ownership of the Property as a means of maintaining the value of the Property as security for the Debt, and (iii) Lender has a valid interest in maintaining the value of the Property so as to ensure that, should Borrower default in the repayment of the Debt, Lender can recover

the Debt by a sale of the Property. Borrower shall not sell, convey, alienate, mortgage, encumber, pledge or otherwise transfer the Property or any part thereof, or suffer or permit any Transfer to occur, other than a Permitted Transfer.

(b) Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon any Transfer in violation of this Section 4. This provision shall apply to every sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Property (and every other Transfer) regardless of whether voluntary or not. Any Transfer made in contravention of this Section 4 shall be null and void and of no force and effect. Borrower agrees to bear and shall pay or reimburse Lender on demand for all reasonable expenses (including reasonable attorneys' fees and disbursements, title search costs and title insurance endorsement premiums) incurred by Lender in connection with the review, approval and documentation of any Permitted Transfer.

5. Changes in Laws Regarding Taxation. If any law is enacted or adopted or amended after the date of this Security Instrument which deducts the Debt from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Debt or Lender's interest in the Property, Borrower will pay such tax, with interest and penalties thereon, if any. If Lender is advised by its counsel that the payment of such tax or interest and penalties by Borrower would be unlawful, taxable to Lender or unenforceable, or would provide the basis for a defense of usury, then Lender shall have the option, by notice of not less than ninety (90) days, to declare the Debt immediately due and payable.

6. No Credits on Account of the Debt. Borrower shall not claim or demand or be entitled to any credit on account of the Debt for any part of the Taxes assessed against the Property, and no deduction shall otherwise be made or claimed from the assessed value of the Property for real estate tax purposes by reason of this Security Instrument or the Debt. If such claim, credit or deduction shall be required by law, Lender shall have the option, by notice of not less than ninety (90) days, to declare the Debt immediately due and payable.

7. Further Acts, Etc. Borrower shall, at its sole cost, perform, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as Lender shall, from time to time, require, for the better assuring, conveying, assigning, transferring, and confirming unto Lender the property and rights hereby mortgaged, given, granted, bargained, sold, alienated, conveyed, confirmed, pledged, assigned and hypothecated or intended now or hereafter so to be, or which Borrower may be or may hereafter become bound to convey or assign to Lender, or for carrying out the intention or facilitating the performance of the terms of this Security Instrument, or for filing, registering or recording this Security Instrument or for facilitating the sale and transfer of the Loan and the Loan Documents in connection with a "Secondary Market Transaction" as described in Section 9.1 of the Loan Agreement. Upon foreclosure, the appointment of a receiver or any other relevant action, Borrower shall, at its sole cost, cooperate fully and completely to effect the assignment or transfer of any license, permit, agreement or any other right necessary or useful to the operation of the Property. Borrower grants to Lender an irrevocable power of attorney coupled with an interest for the purpose of exercising and

perfecting any and all rights and remedies available to Lender at law and in equity, including such rights and remedies available to Lender pursuant to this Section 7.

8. Recording of Security Instrument, Etc. Borrower forthwith upon the execution and delivery of this Security Instrument and thereafter, from time to time, shall cause this Security Instrument, and any security instrument creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect the lien or security interest hereof upon, and the interest of Lender in, the Property. Borrower shall pay all filing, registration or recording fees, all expenses incident to the preparation, execution and acknowledgment of and all federal, state, county and municipal, taxes, duties, imposts, documentary stamps, assessments and charges arising out of or in connection with the execution and delivery of, this Security Instrument, any supplemental hereto, any security instrument with respect to the Property or any instrument of further assurance, except where prohibited by law so to do. Borrower shall hold harmless and indemnify Lender, its successors and assigns, against any liability incurred by reason of the imposition of any tax on the making or recording of this Security Instrument.

9. Right to Cure Defaults. Upon the occurrence 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, perform the obligations in Default in such manner and to such extent as Lender may deem necessary to protect the security hereof. Lender is authorized to enter upon the Property for such purposes or appear in, defend or bring any action or proceeding to protect its interest in the Property or to foreclose this Security Instrument or collect the Debt, and the cost and expense thereof (including reasonable attorneys' fees and disbursements to the extent permitted by law), with interest thereon at the Default Rate for the period after notice from Lender that such cost or expense was incurred to the date of payment to Lender, shall constitute a portion of the Debt, shall be secured by this Security Instrument and the other Loan Documents and shall be due and payable to Lender upon demand.

10. Remedies.

(a) Upon the occurrence of any Event of Default, Lender 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 Property, by Lender itself or otherwise, including 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:

- (i) declare the entire Debt to be immediately due and payable;
- (ii) give such notice of default and of election to cause the Property to be sold as may be required by law or as may be necessary to cause Trustee to exercise the power of sale granted herein; Trustee shall then record and give such notice of Trustee's sale as then required by law and, after the expiration of such time as may be required by law, may sell the Property at the time and place specified in the notice of sale, as a whole or in separate parcels as directed by Lender, or by Borrower to the extent required by law,

at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale, all in accordance with applicable law. Trustee, from time to time, may postpone or continue the sale of all or any portion of the Property by public declaration at the time and place last appointed for the sale and no other notice of the postponed sale shall be required unless provided by applicable law. Upon any sale, Trustee shall deliver its deed conveying the property sold, without any covenant or warranty, expressed or implied, to the purchaser or purchasers at the sale. The recitals in such deed of any matters or facts shall be conclusive as to the accuracy thereof;

(iii) institute a proceeding or proceedings, judicial or nonjudicial, to the extent permitted by law, by advertisement or otherwise, for the complete foreclosure of this Security Instrument, in which case the Property 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;

(iv) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, 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 of this Security Instrument for the balance of the Debt not then due;

(v) sell for cash or upon credit the Property and all estate, claim, demand, right, title and interest of Borrower therein and rights of redemption thereof, pursuant to the power of sale, to the extent permitted by law, 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 by law;

(vi) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein or in any other Loan Document;

(vii) to the extent permitted by applicable law, recover judgment on the Note either before, during or after any proceeding for the enforcement of this Security Instrument;

(viii) apply for the appointment of a trustee, receiver, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of the Borrower or of any Person liable for the payment of the Debt;

(ix) enforce Lender's interest in the Leases and Rents and enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Borrower and its agents and employees therefrom, and Lender may (A) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with the Property and conduct the business thereat; (B) complete any construction on the Property in such manner and form as Lender deems advisable; (C) make alterations, additions, renewals, replacements and improvements to or on the Property; (D) exercise all rights and powers of Borrower with respect to the Property, whether in the name of Borrower or otherwise, including the right to make, cancel, enforce or modify Leases, obtain and evict

tenants, and demand, sue for, collect and receive Rents; and (E) apply the receipts from the Property to the payment of the Debt, after deducting therefrom all expenses (including reasonable attorneys' fees and disbursements) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, insurance and other charges in connection with the Property, as well as just and reasonable compensation for the services of Lender, and its counsel, agents and employees;

(x) 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 any portion of the Property occupied by Borrower, and require Borrower to vacate and surrender possession of the Property to Lender or to such receiver, and, in default thereof, evict Borrower by summary proceedings or otherwise;

(xi) exercise the rights, powers and remedies of Borrower pursuant to the Condominium Documents to the extent not prohibited by applicable law, or

(xii) pursue such other rights and remedies as may be available at law or in equity or under the UCC, including the right to receive and/or establish a lock box for all Rents and proceeds from the Intangibles and any other receivables or rights to payments of Borrower relating to the Property.

In the event of a sale, by foreclosure or otherwise, of less than all of the Property, this Security Instrument shall continue as a lien on the remaining portion of the Property.

(b) The proceeds of any sale made under or by virtue of this Section 10, together with any other sums which then may be held by Lender under this Security Instrument, whether under the provisions of this Section 10 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.

(c) Lender 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 law, Lender, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

(d) Any sale or sales made under or by virtue of this Section 10, 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 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.

(e) Upon any sale made under or by virtue of this Section 10, whether made under a power of sale 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 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 or any other Loan Document.

(f) To the extent permitted by applicable law, no recovery of any judgment by Lender and no levy of an execution under any judgment upon the 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 Property or any part thereof, or any liens, rights, powers or remedies of Lender hereunder, but such liens, rights, powers and remedies of Lender shall continue unimpaired as before.

(g) Lender may terminate or rescind any proceeding or other action brought in connection with its exercise of the remedies provided in this Section 10 at any time before the conclusion thereof, as determined in Lender's sole discretion and without prejudice to Lender.

(h) Lender may resort to any remedies and the security given by this Security Instrument or in any other Loan Document in whole or in part, and in such portions and in such order as determined in 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 any Loan Document. The failure of Lender to exercise any right, remedy or option provided in any Loan Document shall not be deemed a waiver of such right, remedy or option or of any covenant or obligation secured by any Loan Document. 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, or Borrower's liability to pay such obligation. No sale of all or any portion of the 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 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 Section 10 (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.

(i) The interests and rights of Lender under the Loan Documents shall not be impaired by any indulgence, including (x) any renewal, extension or modification which Lender may grant with respect to any of the Debt, (y) any surrender, compromise, release, renewal, extension, exchange or substitution which Lender may grant with respect to the Property or any portion thereof or (z) any release or indulgence granted to any maker, endorser, guarantor or surety of any of the Debt.

11. Right of Entry. In addition to any other rights or remedies granted under this Security Instrument, Lender and its agents shall have the right to enter and inspect the Property at any reasonable time during the term of this Security Instrument. The cost of such inspections or audits shall be borne by Borrower should Lender determine that an Event of Default exists,

including the cost of all follow up or additional investigations or inquiries deemed reasonably necessary by Lender. The cost of such inspections, if not paid for by Borrower following demand, may be added to the principal balance of the sums due under the Note and this Security Instrument and shall bear interest thereafter until paid at the Default Rate.

12. Security Agreement. This Security Instrument is both a real property deed of trust and a “security agreement” within the meaning of the UCC. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Borrower in the Property. Borrower by executing and delivering this Security Instrument has granted and hereby grants to Lender, as security for the Debt, a security interest in the Property to the full extent that the Property may be subject to the UCC (such portion of the Property so subject to the UCC being called in this Section 12 the “Collateral”). The foregoing sentence is intended to grant in favor of Lender a first priority continuing lien and security interest in all of Borrower’s assets. Borrower authorizes Lender and its counsel to file UCC financing statements in form and substance satisfactory to Lender, describing the collateral as “all assets of Borrower, whether now owned or existing or hereafter acquired or arising and wheresoever located, and all proceeds and products thereof, including, without limitation, all fixtures on the Premises” or words to that effect, and any limitations on such collateral description, notwithstanding that such collateral description may be broader in scope than the Collateral described in this Security Instrument. This Security Instrument shall also constitute a “fixture filing” for the purposes of the UCC. As such, this Security Instrument covers all items of the Collateral that are or are to become fixtures. Information concerning the security interest herein granted may be obtained from the parties at the addresses of the parties set forth in the first paragraph of this Security Instrument. If an Event of Default shall occur, 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 UCC, 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, Borrower shall at its expense assemble the Collateral and make it available to Lender at a convenient place acceptable to Lender. Borrower shall pay to Lender on demand any and all expenses, including reasonable attorneys’ fees and disbursements, incurred or paid by Lender in protecting the interest in the Collateral and in enforcing the rights hereunder with respect to the Collateral. 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 days prior to such action, shall constitute commercially reasonable notice to Borrower. The proceeds of any disposition of the Collateral, or any part thereof, may be applied by Lender to the payment of the Debt in such priority and proportions as Lender in its sole discretion shall deem proper. In the event of any change in name, identity, structure or place of incorporation, organization or formation of Borrower, Borrower shall notify Lender thereof and promptly after request shall file and record such UCC forms as are necessary to maintain the priority of Lender’s lien upon and security interest in the Collateral, and shall pay all expenses and fees in connection with the filing and recording thereof. If Lender shall require the filing or recording of additional UCC forms or continuation statements, Borrower shall, promptly after request, file and record such UCC forms or continuation statements as Lender shall deem necessary, and shall pay all expenses and fees in connection with the filing and recording thereof, it being understood

and agreed, however, that no such additional documents shall increase Borrower's obligations under the Loan Documents. Borrower hereby irrevocably appoints Lender as its attorney-in-fact, coupled with an interest, to file with the appropriate public office on its behalf any financing or other statements naming Lender, as secured party, and Borrower, as debtor, in connection with the Collateral covered by this Security Instrument.

13. Actions and Proceedings. Lender has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Borrower, which Lender, in its sole discretion, decides should be brought to protect its or their interest in the Property. Lender shall, at its option, be subrogated to the lien of any mortgage, deed of trust or other security instrument discharged in whole or in part by the Debt, and any such subrogation rights shall constitute additional security for the payment of the Debt.

14. Marshaling and Other Matters. Borrower hereby waives, to the extent permitted by law, the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshaling in the event of any sale hereunder of the 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 Property subsequent to the date of this Security Instrument and on behalf of all Persons to the extent permitted by applicable law. The lien of this Security Instrument shall be absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever of Lender and, without limiting the generality of the foregoing, the lien hereof shall not be impaired by (i) any acceptance by Lender of any other security for any portion of the Debt, (ii) any failure, neglect or omission on the part of Lender to realize upon or protect any portion of the Debt or any collateral security therefor or (iii) any release (except as to the property released), sale, pledge, surrender, compromise, settlement, renewal, extension, indulgence, alteration, changing, modification or disposition of any portion of the Debt or of any of the collateral security therefor; and Lender may foreclose, or exercise any other remedy available to Lender under other Loan Documents without first exercising or enforcing any of its remedies under this Security Instrument, and any exercise of the rights and remedies of Lender hereunder shall not in any manner impair the Debt or the liens of any other Loan Document or any of Lender's rights and remedies thereunder.

15. Notices. All notices, consents, approvals and requests required or permitted hereunder (a "*Notice*") shall be given in writing and shall be effective for all purposes if either hand delivered with receipt acknowledged, or by a nationally recognized overnight delivery service (such as Federal Express), or by certified or registered United States mail, return receipt requested, postage prepaid, or by facsimile and confirmed by facsimile answer back, in each case addressed as follows (or to such other address or Person as a party shall designate from time to time by Notice to the other party):

If to Lender: PRP-Peak V, LLC
575 Fifth Avenue, 19th Floor
New York, New York, 10017

With a copy to: PRP-Peak V, LLC
7114 E. Stetson Drive, Suite 250
Scottsdale, Arizona 85251
Attention: Loan Servicing – Peak Tahoe

and to:

PRP-Peak V, LLC
c/o KeyBank National Association, as Servicer
11501 Outlook Street, Suite 300
Overland Park, Kansas 66211
Attn: Todd Reynolds
Email: todd_reynolds@keybank.com

and to:

Sheppard, Mullin, Richter & Hampton LLP
650 Town Center Drive, 10th Floor
Costa Mesa, CA 92626-1925
Attn: David D'Amour, Esq.

If to Borrower: New Peak Tahoe LLC
6030 Seabluff Drive, #315
Playa Vista, California 90094
Attention: Bobby Laughlin
Email: bobby@newcourseenterprises.com

With a copy to: Jeffer Mangels Butler & Mitchell LLP
Two Embarcadero Center, Fifth Floor
San Francisco, California 94111
Attention: Catherine DeBono Holmes
Email: cholmes@jmbm.com

A Notice shall be deemed to have been given: (a) in the case of hand delivery, at the time of delivery; (b) in the case of registered or certified mail, when delivered or the first attempted delivery on a Business Day; (c) in the case of overnight delivery, upon the first attempted delivery on a Business Day; or (d) in the case of facsimile transmission, when sent and electronically confirmed.

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

17. **Headings.** The section headings in 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.

18. **Duplicate Originals.** This Security Instrument may be executed in any number of duplicate originals and each such duplicate original shall be deemed to be an original.

19. **Definitions.** 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 Property or any part thereof or any interest therein," the word "**Lender**" shall mean "Lender and any subsequent holder of the Note," the words "**Property**" shall include any portion of the Property and any interest therein, the word "**including**" means "including but not limited to" and the words "**attorneys' fees**" shall include any and all attorneys' fees, paralegal and law clerk fees, including, fees at the pre-trial, trial and appellate levels incurred or paid by Lender in protecting its interest in the Property and collateral and enforcing its rights hereunder.

20. **Homestead.** Borrower hereby waives and renounces all homestead and exemption rights provided by the Constitution and the laws of the United States and of any state, in and to the Property as against the collection of the Debt, or any part thereof.

21. **Assignments.** Lender shall have the right to assign or transfer its rights under this Security Instrument without limitation. Any assignee or transferee shall be entitled to all the benefits afforded Lender under this Security Instrument.

22. **Waiver of Jury Trial.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, BORROWER 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 THIS SECURITY INSTRUMENT OR ANY OTHER LOAN DOCUMENT, 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 IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION 22 IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY BORROWER.

23. **Consents.** Any consent or approval by Lender in any single instance shall not be deemed or construed to be Lender's consent or approval in any like matter arising at a subsequent date, and the failure of Lender to promptly exercise any right, power, remedy, consent or approval provided herein or at law or in equity shall not constitute or be construed as a waiver of the same nor shall Lender be estopped from exercising such right, power, remedy, consent or approval at a later date. Any consent or approval requested of and granted by Lender pursuant hereto shall be narrowly construed to be applicable only to Borrower and the matter

identified in such consent or approval and no third party shall claim any benefit by reason thereof, and any such consent or approval shall not be deemed to constitute Lender a venturer or partner with Borrower nor shall privity of contract be presumed to have been established with any such third party. If Lender deems it to be in its best interest to retain assistance of persons, firms or corporations (including attorneys, title insurance companies, appraisers, engineers and surveyors) with respect to a request for consent or approval, Borrower shall reimburse Lender for all costs reasonably incurred in connection with the employment of such persons, firms or corporations.

24. Employee Benefit Plan. During the term of this Security Instrument, unless Lender shall have previously consented in writing, (i) Borrower shall take no action that would cause it to become an “*employee benefit plan*” as defined in 29 C.F.R. Section 2510.3-101, or “*assets of a governmental plan*” subject to regulation under the state statutes, and (ii) Borrower shall not sell, assign or transfer the Property, or any portion thereof or interest therein, to any transferee that does not execute and deliver to Lender its written assumption of the obligations of this covenant. Borrower shall protect, defend, indemnify and hold Lender harmless from and against all loss, cost, damage and expense (including all attorneys’ fees, excise taxes and costs of correcting any prohibited transaction or obtaining an appropriate exemption) that Lender may incur as a result of Borrower’s breach of this covenant. This covenant and indemnity shall survive the extinguishment of the lien of this Security Instrument by foreclosure or action in lieu thereof; furthermore, the foregoing indemnity shall supersede any limitations on Borrower’s liability under any of the Loan Documents.

25. Loan Repayment and Defeasance. Provided no Event of Default exists, this Security Instrument will be satisfied and discharged of record by Lender prior to the Maturity Date only in accordance with the terms and provisions set forth in Section 2.3 of the Loan Agreement.

26. Condominium Provisions. If Lender or its nominees or designees, successors, or assignees acquires title to one or more Residential Units by reason of foreclosure of this Deed of Trust, deed-in-lieu of foreclosure or otherwise pursuant to an exercise of its remedies under the Loan Documents, Lender, or its nominees or designees, successors, assigns or such purchasers shall (A) succeed to all of the rights of and benefits accruing to Borrower under the Condominium Documents, each as amended or supplemented, (B) be entitled to exercise all of the rights and benefits accruing to Borrower under the Condominium Documents, each as so amended, and (C) have the immediate rights (to the same extent as Borrower, if Borrower shall have any such rights) to (1) remove any and all managers, directors, trustees and/or officers of the board of any unit owner’s association established under the Condominium Documents (a “**Condominium Board**”) appointed by Borrower and (2) cause the Condominium Board to suspend the voting rights of any members of the Condominium Board appointed by Borrower in accordance with the Condominium Documents, and thereupon Lender, or its nominees or designees, successors or assignees shall have the right to (to the same extent as Borrower, if Borrower shall have any such rights) appoint managers, directors, trustees and/or officers of the Condominium Board, in replacement for those managers, directors, trustees and/or officers so removed and to reinstate voting rights of members, all of which such rights shall be subject to and exercised in accordance with the Condominium Documents. At such time as Lender shall request, Borrower shall execute and deliver to Lender such documents as Lender may reasonably

require in order to ensure that the provisions of this Section 26 will be validly and legally enforceable and effective against Borrower and all parties claiming by, through, under or against Borrower.

27. Governing Law.

(a) WITH RESPECT TO MATTERS RELATING TO THE CREATION, PERFECTION AND PROCEDURES RELATING TO THE ENFORCEMENT OF THIS SECURITY INSTRUMENT, THIS SECURITY INSTRUMENT SHALL BE GOVERNED BY, AND BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, EXCEPT AS EXPRESSLY SET FORTH ABOVE IN THIS SECTION AND TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN ALL MATTERS RELATING TO THIS SECURITY INSTRUMENT AND THE OTHER LOAN DOCUMENTS AND ALL OF THE INDEBTEDNESS OR OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. ALL PROVISIONS OF THE LOAN AGREEMENT INCORPORATED HEREIN BY REFERENCE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES, AS SET FORTH IN THE GOVERNING LAW PROVISION OF THE LOAN AGREEMENT.

(b) **Jurisdiction.** Borrower irrevocably and unconditionally submits to the jurisdiction of the courts of the State of Nevada, sitting in Douglas County, Nevada (the "*State Courts*"), and the United States District Court for the District of Nevada (the "*Federal Courts*"), and any appellate court from which appeals lie in connection with any action, litigation or proceeding of any kind or description, whether in law or equity, contract, tort or otherwise, in any way relating to this Security Instrument and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such State Courts or, to the fullest extent permitted by applicable law, in such Federal Courts. Borrower agrees that a final judgment in any such action, litigation or proceeding is conclusive and may be enforced in other jurisdictions by suit or judgment or in any other manner provided by law. Nothing in this Security Instrument or any other Loan Document affects any right that Lender may otherwise have to bring any action or proceeding relating to this Security Instrument or any other Loan Document against Borrower or any other party to the Loan Documents or its properties in the courts of any jurisdiction.

(c) **Waiver of Venue.** Borrower irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Security Instrument or any other Loan Document in any court referred to in subsection (b) above. Borrower hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) **Service of Process.** Borrower irrevocably consents to service of process in the manner provided for notices in Section 15 of this Security Instrument. Nothing in this

Security Instrument or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

28. Exculpation. The liability of Borrower hereunder is limited pursuant to Section 10.1 of the Loan Agreement.

29. Joint and Several Liability. If Borrower consists of more than one person or entity, each shall be jointly and severally liable to perform the obligations of Borrower under this Security Instrument.

30. Trustee; Successor Trustee. Trustee shall not be liable for any error of judgment or act done by Trustee, or be otherwise responsible or accountable under any circumstances whatsoever, except if the result of Trustee's gross negligence or willful misconduct. Trustee shall not be personally liable in case of entry by him or anyone acting by virtue of the powers herein granted him upon the Property for debts contracted or liability or damages or damages incurred in the management or operation of the Property. Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by him hereunder or believed by him to be genuine. Trustee shall be entitled to reimbursement for actual expenses incurred by him in the performance of his duties hereunder and to reasonable compensation for such of his services hereunder as shall be rendered. Borrower will, from time to time, reimburse Trustee for and save and hold him harmless from and against any and all loss, cost, liability, damage and reasonable expense whatsoever incurred by him in the performance of his duties. All monies 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 monies (except to the extent required by law) and Trustee shall be under no liability for interest on any monies received by him hereunder. Trustee may resign by giving of notice of such resignation in writing to Lender. If Trustee shall die, resign or become disqualified from acting in the execution of this trust or shall fail or refuse to exercise the same when requested by Lender or if for any or no reason and without cause Lender shall prefer to appoint a substitute trustee to act instead of the original Trustee named herein, or any prior successor or substitute trustee, Lender shall, without any formality or notice to Borrower or any other person, have full power to appoint a substitute trustee and, if Lender so elects, several substitute trustees in succession who shall succeed to all the estate, rights, powers and duties of the aforementioned Trustee. Each appointment and substitution shall be evidenced by an instrument in writing which shall recite the parties to, and the book and page of record of, this Security Instrument, and the description of the real property herein described, which instrument, executed and acknowledged by Lender, shall (a) be conclusive proof of the proper substitution and appointment of such successor Trustee or Trustees, (b) duly assign and transfer all the estates, properties, rights, powers and trusts of Trustee so ceasing to act and (c) be notice of such proper substitution and appointment to all parties in interest. In addition, such Trustee ceasing to act shall duly assign, transfer, and deliver any of the property and monies held by Trustee to the successor Trustee so appointed in its or his place. The Trustee may act in the execution of this trust and may authorize one or more parties to act on his behalf to perform the ministerial functions required of him hereunder, including without limitation, the transmittal and posting of any notices and it shall not be necessary for any Trustee to be present in person at any foreclosure sale.

31. State-Specific Provisions. In the event of any inconsistencies between the terms and conditions of this Section 31 and the other terms and conditions of this Security Instrument, the terms and conditions of this Section 31 shall control and be binding.

(a) The Property conveyed hereby shall include all rights of Borrower under any covenants, conditions, and restrictions affecting the Premises, the Improvements, or the common interest community of which the Premises and the Improvements are a part, whether now existing or hereafter arising, including, without limitation, all voting rights, declarant's rights, developer rights, developmental rights, and similar rights arising under any such covenants, conditions, and restrictions as provided therein and in Nevada Revised Statutes ("NRS") Chapter 116.

(b) This Deed of Trust is governed by NRS Sections 106.300 to 106.400 and secures future advances as provided in such Sections. The maximum amount of principal (as defined in NRS Section 106.345) secured hereby (including disbursements that Beneficiary may, but shall not be obligated to, make under this Deed of Trust, the Loan Agreement or any other document with respect thereto) shall not exceed \$78,000,000.00. This Deed of Trust shall be valid and have priority to the extent of the maximum amount secured hereby over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Premises given priority by law.

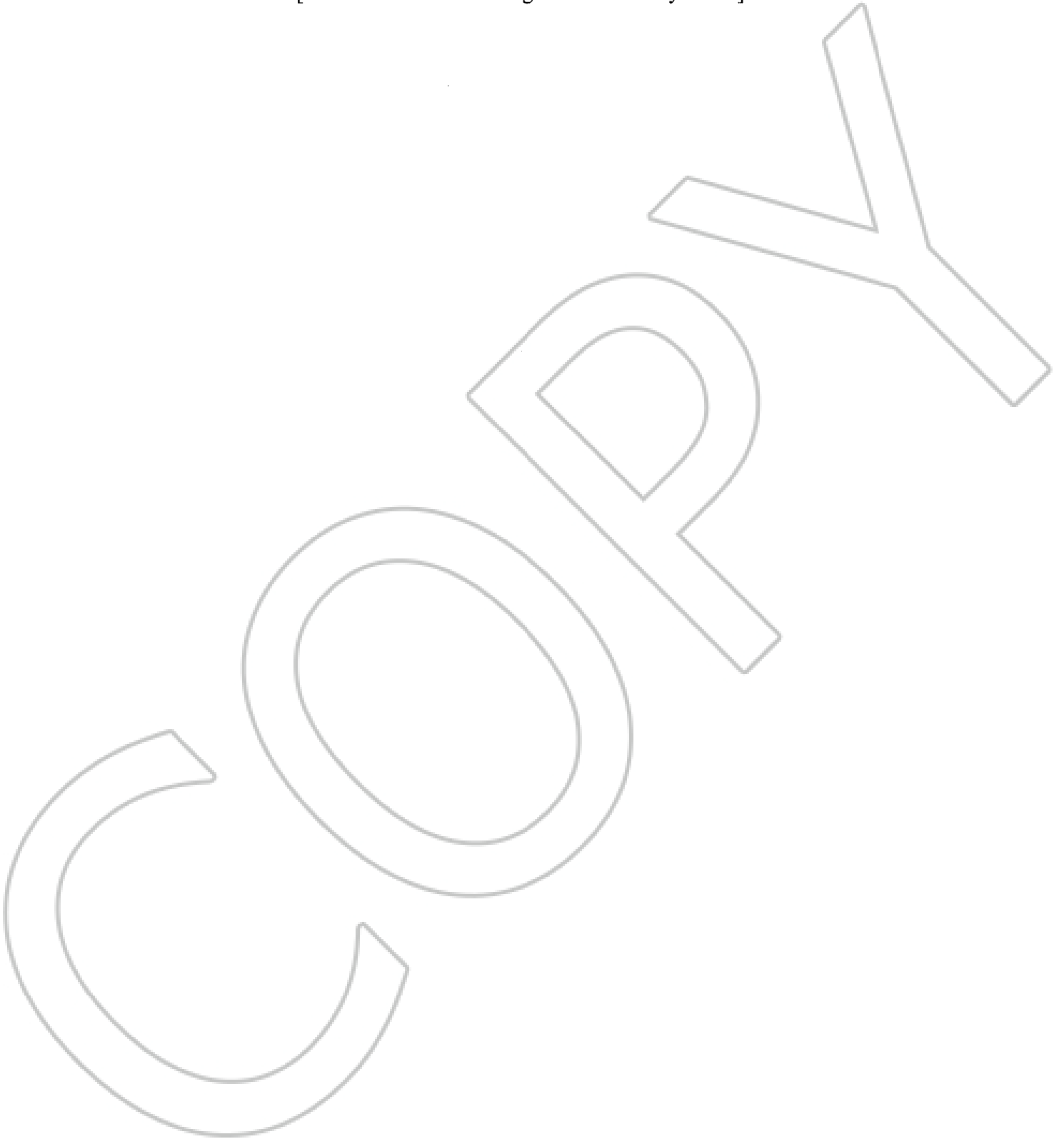
(c) An Event of Default shall exist if Borrower or any other "borrower" (as that term is defined in NRS Section 106.310, as amended or recodified from time to time) who may send a notice pursuant to NRS Section 106.380(1), as amended or recodified from time to time, with respect to this Deed of Trust; (i) delivers, sends by mail or otherwise gives, or purports to deliver, send by mail or otherwise give to Beneficiary: (A) any notice of an election to terminate the operation of this Deed of Trust as security for any obligation, including, without limitation, any obligation to repay any "future advance" (as defined in NRS Section 106.320, as amended or recodified from time to time) of "principal" (as defined in NRS Section 106.345, as amended or recodified from time to time), or (B) any other notice pursuant to NRS Section 106.380(3), as amended or recodified from time to time, (ii) records a statement pursuant to NRS Section 106.380(3), as amended or recodified from time to time, or (iii) causes this Deed of Trust, any Obligation, or Beneficiary to be subject to NRS Sections 106.380(2), 106.380(3) or 106.400, as amended or recodified from time to time.

(d) Upon any Event of Default, without limiting other rights and remedies as provided herein, Lender shall have all rights and remedies of an assignee under the Uniform Assignment of Rents Act, NRS Chapter 107A, as amended or recodified from time to time.

(e) Any receiver appointed pursuant to this Deed of Trust and applicable law shall have all the powers and duties that may be afforded to receivers under the Uniform Commercial Real Estate Receivership Act, NRS Sections 32.100 et seq.

(f) This document is given in connection with the construction of an improvement and is a "Construction Mortgage" within the meaning of NRS Section 104.9334(8).


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

BORROWER:

NEW PEAK TAHOE LLC,
a Delaware limited liability company

By: 
Name: Robert Laughlin
Title: Authorized Signatory

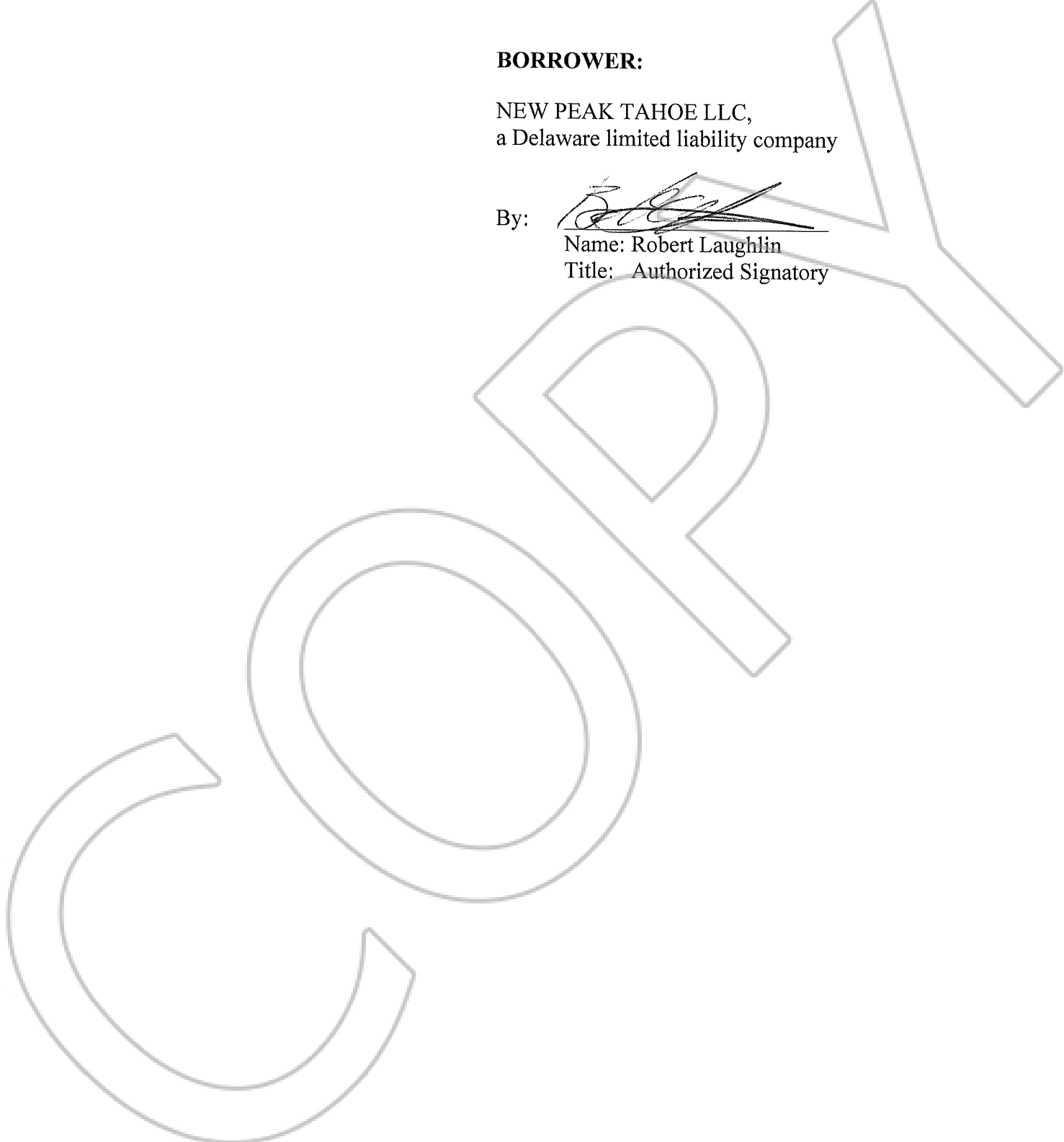


Exhibit "A"
LEGAL DESCRIPTION

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

PARCEL 1:

Units 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111 and 112
Units 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211 and 212
Units 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311 and 312
Units 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412 and Unit 500, as set forth on the 15th Amended Map for Tahoe Village Unit 1, being a subdivision of Lot 56, filed for record on February 6, 1997 in Book 0297, Page 667 as Document No. 406172, Official Records of Douglas County, State of Nevada.

PARCEL 2:

An undivided 49/49 interest in and to that portion of Lot 56 designated as Common Areas as set forth on the 15th Amended Map for Tahoe Village Unit 1, filed for record on February 6, 1997 in Book 297, Page 667 as Document No. 406172, Official Records of Douglas County, State of Nevada, subsequently adjusted, Lot 56 being more particularly described as:

All that portion of Lot 56 of Tahoe Village Unit No. 1, 15th Amended Map, filed for record on February 6, 1997 as Document No. 406172, and that portion of the Common Area of Tahoe Village Unit No. 1, Amended Map, filed for record on December 7, 1971, as Document No. 55769, more particularly described as follows:

BEGINNING at a point which bears South 19°29'45" West 6.25 feet from the Southwest corner of Lot 56 of said Tahoe Village Unit No. 1, 15th Amended Map; thence North 19°40'00" East, 126.59 feet; thence North 10°20'00" West, 126.09 feet; thence North 79°40'00" East, 36.50 feet; thence North 10°20'00" West, 8.85 feet; thence North 79°40'00" East, 25.33 feet; thence South 10°20'00" East, 8.85 feet; thence North 79°40'00" East, 48.00 feet; thence South 10°20'00" East, 105.00 feet; thence South 79°40'00" West, 5.25 feet; thence South 10°20'00" East, 49.12 feet; thence South 19°40'00" West, 105.12 feet; thence North 70°20'00" West, 16.58 feet; thence South 19°40'00" West, 49.50 feet; thence North 70°20'00" West, 36.50 feet; thence South 19°40'00" West, 6.69 feet; thence North 70°20'00" West, 25.33 feet; thence North 19°40'00" East, 6.69 feet; thence North 70°20'00" West, 26.17 feet to the point of beginning.

TOGETHER WITH a portion of the Common Area of Tahoe Village Unit No. 1 and being more particularly described as

follows:

BEGINNING at an angle point on the East line of Adjusted APN 1319-30-516-037 as shown on the Record of Survey Supporting a Boundary Line Adjustment for Millan Nevada, Inc., Document No. 568319 of the Douglas County Recorder's office, said point bears South

48°38'31" West, 1835.38 feet from the Northeast corner of said Section 30; thence South 19°40'00" West, 43.25 feet; thence North 70°20'00" West, 16.58 feet to point on said East line of Adjusted APN 1319-30-516-037; thence North 19°40'00" East, along said East line, 43.25 feet; thence South 70°20'00" East, continuing along said East line, 16.58 feet to the point of beginning.

Reference is made to Record of Survey recorded August 3, 2005 as Document No. 651281 in Book 805, Page 1921 of Official Records.

PARCEL 3:

An easement for ingress, egress, use and enjoyment within the Common Areas of Tahoe Village Units No. 1, 2 and 3 as established by the Declaration of Covenants, Conditions and Restrictions recorded July 26, 1989 in Book 789, Page 3011 as Document No. 207446, Official Records of Douglas County, State of Nevada.

APN: 1319-30-544-000 through 1319-30-544-054