

When recorded mail to:
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KIRTON, McCONKIE & BUSHNELL
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Salt Lake City, Ut 84111

15531

DEED OF TRUST AND SECURITY AGREEMENT
With Assignment of Rents

THIS DEED OF TRUST AND SECURITY AGREEMENT (hereinafter referred to as the "Deed of Trust"), made June 1st, 1987, by and between HARMSEN FAMILY LIMITED PARTNERSHIP, a Utah limited partnership and H. H. LAND AND CATTLE COMPANY, a Nevada corporation, both of whose address is, c/o Stephen M. Harmsen, 350 South 400 East #203, Salt Lake City, Utah 84111 (hereinafter collectively referred to as "Trustor"), FIRST AMERICAN TITLE COMPANY, whose address is P.O. Box 1169, Tonapah, NV 89049 (hereinafter referred to as "Trustee") and for the benefit of CORPOPATION OF THE PRESIDING BISHOP OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS, a Utah corporation sole, whose address is Finance Department, 14th Floor, 50 East North Temple, Salt Lake City, Utah 84150 (hereinafter referred to as "Beneficiary");

W I T N E S S E T H:

That for good and valuable consideration including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, and for the purpose of securing, in such priority as Beneficiary may elect, each of the following:

(i) The due, prompt and complete payment, observance, performance and discharge of each and every obligation, covenant and agreement contained in that certain Promissory Note dated May 31, 1984 in the original principal amount of Seven Hundred Fifty Thousand Dollars (\$750,000.00), which Promissory Note has been replaced and superseded by that certain Restated Promissory Note made effective May 31, 1984 and executed as of June 1, 1987, in the original principal amount of Seven Hundred Fifty Thousand Dollars (\$750,000.00) (hereinafter referred to as the "Note"), together with interest on so much thereof as may be advanced at the rate specified therein, executed by Trustor to the order of Beneficiary and any and all modifications, extensions or renewals thereof, whether hereafter evidenced by the Note or otherwise, which Note matures June 1, 1992; and

(ii) The payment of all other sums, with interest thereon at the rate of interest provided for herein or in the Note, becoming due or payable under the provisions of this Deed of Trust or any other instrument or instruments heretofore or hereafter executed by Trustor having reference to or arising out of or securing the indebtedness represented by the Note (collectively the "Loan Documents"); and

(iii) The payment of such additional sums and interest thereon which may hereafter be loaned to Trustor, or its successors or assigns, by Beneficiary, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust; and

(iv) The due, prompt and complete observance, performance and discharge of each and every obligation, covenant and agreement of Trustor contained in the Note, this Deed of Trust or any other Loan Document;

TRUSTOR DOES HEREBY irrevocably grant, transfer, bargain, sell, convey and assign to Trustee, in trust, with power of sale and right of entry and possession, and does grant to Beneficiary a security interest for the benefit and security of Beneficiary under and subject to the terms and conditions hereinafter set forth, in and to any and all of the following described property which is (except where the context otherwise requires) herein collectively called the "Mortgaged Property", whether now owned or held or hereafter acquired:

(A) That certain real property located in Lincoln County, State of Nevada and more particularly described in Exhibit A attached hereto and incorporated herein by this reference, together with all of the easements, rights, privileges, franchises, appurtenances thereunto belonging or in any way appertaining to the real property and all of the estate, right, title, interest, claim and demand whatsoever of Trustor therein or thereto, either in law or in equity, in possession or in expectancy, now owned or hereafter acquired (hereinafter referred to as the "Property");

(B) All structures, buildings and improvements of every kind and description now or at any time hereafter located on the Property (hereinafter referred to as the "Improvements"), including all equipment, apparatus, machinery, fixtures, fittings, and appliances and other articles and any additions to, substitutions for, changes in or replacements of the whole or any part thereof, now or at any time hereafter affixed or attached to said structures, buildings, improvements or the Property or any portion thereof and the Improvements shall be deemed to be fixtures and an accession to the freehold and a part of the Property as between the parties hereto and all persons claiming by, through or under such parties;

(C) All articles of tangible personal property and any additions to, substitutions for, changes in or replacements of the whole or any part thereof (hereinafter referred to as the "Personal Property"), including without limitation all wall-beds, wall-safes, built-in furniture and installations, shelving, partitions, door-tops, vaults, elevators, dumb-waiters, awnings, window shades, venetian blinds, light fixtures, fire hoses and brackets and boxes for the same, fire sprinklers, alarm systems, drapery rods and brackets, screens, water heaters, incinerators, wall coverings, carpeting, linoleum, tile, other floor coverings

of whatever description, furniture and furnishings, communication systems, all specifically designed installations and furnishings, office maintenance and other supplies and all of said articles of property, the specific enumerations herein not excluding the general, now or at any time hereafter placed upon or used in any way in connection with the use, enjoyment, occupancy or operation of the Property or the Improvements or any portion thereof and owned by Trustor or in which Trustor now has or hereafter acquires an interest, and all building materials and equipment now or hereafter delivered to the Property and intended to be installed or placed in or about the Improvements. Such tangible, personal property shall, in addition to all other tangible, personal property herein described or defined, specifically include each and every item of tangible, personal property and any substitutions for, changes in or replacements thereof which are used in the operation of the Improvements. Notwithstanding the breadth of the foregoing the Personal Property shall not include: (i) personal property which may be owned by lessees or other occupants and their customers or which may be leased by such a lessee or other occupants of the Mortgaged Property rather than by Trustor; (ii) material, equipment, tools, machinery, or other personal property which is brought upon the Mortgaged Property only for use in construction, maintenance, or repair and which is not intended to remain after the completion of such construction, maintenance, or repair, and which is not necessary for occupancy, proper maintenance, or use of the Mortgaged Property; or (iii) animals or livestock;

(D) All right, title and interest of Trustor, now owned or hereafter acquired in and to any land lying within the right-of-way of any street, road, alley and public place, opened or proposed, vacated or extinguished by law or otherwise, and all easements and rights of way, public or private, tenements, hereditaments, appendages, rights and appurtenances now or hereafter located upon the Property or now or hereafter used in connection with or now or hereafter belonging or appertaining to the Property; and all right, title and interest in the Trustor, now owned or hereafter acquired, in and to any strips and gores adjoining or relating to the Property;

(E) All judgments, awards of damages, settlements and any and all proceeds derived from such hereafter made as a result of or in lieu of any taking of the Mortgaged Property or any part thereof, interest therein or any rights appurtenant thereto under the power of eminent domain, or by private or other purchase in lieu thereof, or for any damage (whether caused by such taking or otherwise) to the Mortgaged Property or the Improvements thereon, including change of grade of streets, curb cuts or other rights of access for any public or quasi-public use or purpose under any law;

(F) All rents, incomes, profits, revenues, royalties, bonuses, rights, accounts, contract rights, insurance policies and proceeds thereof, general intangibles and benefits of the Mortgaged Property, or arising from the use or enjoyment of all

or any portion, thereof or from any, lease or agreement pertaining thereto (the Rents and Profits), and all right, title and interest of Trustor in and to all leases of the Mortgaged Property now or hereafter entered into and all right, title and interest of Trustor thereunder, including, without limitation, cash or securities deposited thereunder to secure performance by the lessees of their obligations thereunder, whether said cash or securities are to be held until the expiration of the terms of said leases or applied to one or more of the installments of rent coming due immediately prior to the expiration of said terms with the right to receive and apply the same to said indebtedness, and Trustee or Beneficiary may demand, sue for and recover such payments but shall not be required to do so;

(G) All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims; and

(H) All rights, privileges, franchises, appurtenances, permits, licenses, authorizations, and concessions belonging or appertaining to the Property, whether arising by operation of law or by custom or usage, including, without limitation, all grazing privileges upon public lands and all water rights, together with all certificates, licenses, documents, deeds, records and papers evidencing any of the foregoing.

Trustor makes the foregoing grant to Trustee in trust forever to have and to hold, for the purposes herein set forth: provided, however, that if the Trustor shall pay or cause to be paid to the holder of the Note all amounts required to be paid under the provisions of the Note and at the time and in the manner stipulated therein, and shall further pay or cause to be paid all other sums payable hereunder and all indebtedness hereby secured, then, in such case, the estate, right, title and interest of the Trustee and Beneficiary in the Mortgaged Property shall cease determine and become void, and upon proof being given to the satisfaction of the Beneficiary that all amounts due to be paid under the Note have been paid or satisfied, and upon payment of all fees, costs, charges, expenses and liabilities chargeable or incurred or to be incurred by Trustee or Beneficiary, and of any other sums as herein provided, the Trustee shall, upon receipt of the written request of the Beneficiary, cancel, reconvey and discharge this Deed of Trust.

ARTICLE I
Trustor's Covenants

Trustor covenants, warrants and agrees with Trustee and Beneficiary as follows:

1.01 Security for Payment of Note. This Deed of Trust has been executed and delivered by Trustor for the purpose of providing Beneficiary with security for repayment of the indebtedness evidenced by the Note and performance of Borrower a

obligations under the Note. Trustor and the persons or entities which are the holders of or the current or potential beneficiaries, whether as principals, partners, shareholder, beneficiaries, devisees or otherwise, of financial interest in Trustor acknowledge that (i) the loan evidenced by the Note shall provide substantial economic benefit to Trustor and its interests and/or to the interests of the holders of beneficial interests therein; (ii) this Deed of Trust has been executed by Trustor in order to induce Beneficiary to advance the proceeds of the Note to Borrower; (iii) the execution, delivery and recordation of this Deed of Trust constitutes a condition precedent to the disbursement of the proceeds of the Note to or on behalf of Borrower; and (iv) Beneficiary is relying upon the security granted hereby and would not disburse said proceeds without the valid and binding execution, delivery and recordation hereof.

1.02 Title. The Trustor warrants that:

(a) Trustor has good and marketable title to an indefeasible fee simple estate in the real property described in Exhibit "A" subject only to those matters, liens, charges or encumbrances approved by Beneficiary prior to the execution hereof (the Permitted Exceptions); that Trustor has full power and authority to grant, bargain, sell and convey the Mortgaged Property in the manner and form herein done or intended hereafter to be done; that this Deed of Trust is and shall remain a valid and enforceable first lien on the Mortgaged Property subject only to the Permitted Encumbrances that Trustor and its successors and assigns will reserve its title and interest in and title to the Mortgaged Property and shall forever warrant and defend the Mortgaged Property in the quiet and peaceable possession of the Trustee and its successors and assigns and will warrant and defend the validity and priority of the lien thereof forever against all claims and demands of all persons whomsoever, and that this covenant shall not be extinguished by any exercise of power of sale or foreclosure sale shall run with the land; and

(b) Trustor has and shall maintain good and marketable title to the Improvements and Personal Property including any additions or replacements thereto free of all security interests, liens and encumbrances, other than the Permitted Exceptions, and has good right to subject Improvements and Personal Property to the security interest created hereunder. If the lien of this Deed of Trust on any Improvements or Personal Property be subject to a lease agreement, conditional sale agreement or chattel mortgage covering such property, then in the event of any default hereunder all the rights, title and interest of the Trustor in and to any and all deposits made thereon or therefor are hereby assigned to the Trustee, together with the benefit, of any payments now or hereafter made thereon. There is also transferred, set over and assigned by Trustor to Trustee, its successors and assigns, hereby all leases and use agreements of machinery, equipment and other personal property of Trustor in the categories hereinabove set forth, under which Trustor is the lessee of, or entitled to use, such items, and Trustor agrees to

execute and deliver to Trustee or Beneficiary all such leases and agreements when requested by Trustee or Beneficiary. Trustor hereby covenants and agrees to well and punctually perform all covenants and obligations under such leases or agreements as it so chooses, but nothing herein shall obligate Trustee or Beneficiary to perform any obligations of Trustor under such leases or agreements unless Trustee or Beneficiary shall so choose; and

(c) Trustor will, at its own cost without expense to Trustee or Beneficiary, do, execute, acknowledge and deliver all and every such further act, deed, conveyance, mortgage, assignment, notice of assignment, transfer and assurance as Trustee or Beneficiary shall from time to time require for the better assuring, conveying, assigning, transferring and confirming unto Trustee and Beneficiary the property and rights hereby conveyed or assigned or intended now or hereafter so to be, or which Trustor may be or hereafter become bound to convey or assign to Beneficiary for the intention of facilitating the performance of the terms of this Deed of Trust or for the filing, registering, perfecting or recording of this Deed of Trust and any other Loan Document and, on demand, Trustor will execute and deliver one or more financing statements, chattel mortgages or comparable security instruments more effectively evidencing the lien hereof upon the Personal Property.

1.03 Business Existence. Trustor shall do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges to do business in Utah and Nevada and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental authority or court applicable to the Trustor.

1.04 Payment to Reserve Account. Trustor hereby agrees that:

(a) In addition to all payments required under the Note, the Trustor shall also promptly and punctually pay to Beneficiary on the first day of each and every calendar month until the Note is full an amount, as estimated by the Beneficiary, equal to the sum of (i) ground rents under ground leases which have not been subordinated to this Deed of Trust, if any; (ii) all taxes and special assessments next due on the Mortgaged Property; and (iii) all premiums that will next become due and payable on insurance policies as may be required under Section 1.07 hereof: less all sums already paid therefor, and then divided by the number of months to elapse one (1) month prior to the date when such ground rents, premiums, taxes and special assessments will become delinquent. Such sums (the "Reserves") to be held by the Beneficiary to pay said ground rents, premiums, taxes and special assessments and such payments shall be held without any allowance of interest or dividend to Trustor and need not be kept separate and apart from other funds of Beneficiary. Trustor shall deliver promptly to Beneficiary all bills, invoices and notices of such

ground lease payments, taxes and special assessments of any nature whatsoever.

(b) If the total of the Reserves, described in Section 1.04(a), hereof, shall exceed the amount of payments actually applied by Beneficiary as set forth in Section 1.04(a), such excess may be credited by Beneficiary on subsequent payments to be made by Trustor or, at the option of the Beneficiary, refunded to the Trustor or its successors in interest as may appear on the records of the Beneficiary. If, however, the Reserves shall not be sufficient to pay the sums required when the same shall become due and payable, Trustor shall immediately upon demand deposit with Beneficiary the full amount of any such deficiency.

(c) If there shall be a default under any of the provisions of the Loan Documents the Beneficiary may, at its sole option, apply, at any time, the balance then remaining in the funds accumulated under this Section 1.04, less such sums as it shall estimate may become due and payable during the pendency of any foreclosure proceedings, against the amounts due and payable under the Note, or under any Loan Document in such order as Beneficiary may elect.

(d) Trustor hereby grants to Beneficiary a security interest, as that term is used in the Nevada Uniform Commercial Code, in the Reserves.

(e) The arrangement provided for in this Section 1.04 is solely for the added protection of the Beneficiary and entails no responsibility on the Beneficiary's part beyond the allowing of due credit, without interest, for the sums actually received by it. Upon assignment of the Deed of Trust by the Beneficiary, any funds being held by Beneficiary in accordance with the provisions of this Section 1.04 shall be turned over to the assignee and any responsibility of the assignor with respect thereof shall terminate.

1.05 Maintenance and Repair. The Trustor shall, at its sole cost and expense, keep the Mortgaged Property in good operating order, repair and condition and shall not commit or permit any waste thereof. Subject to the provisions of Section 1.08 and 1.09 hereof, Trustor shall make all repairs, replacements, renewals, additions and improvements and complete and restore promptly and in good workmanlike manner any improvements which may be damaged or destroyed thereon, and pay when due all costs incurred therefor. Trustor shall not remove or demolish any of the Mortgaged Property conveyed hereby, nor demolish or materially alter the Mortgaged Property without the prior written consent of the Beneficiary. Trustor shall permit Trustee or Beneficiary or its agents the opportunity to inspect the Mortgaged Property, including the interior of any structures, at any reasonable times.

1.06 Compliance With Laws. The Trustor shall comply with all laws, ordinances, regulations, covenants, conditions and

restrictions affecting said Mortgaged Property or the operation thereof, and shall pay all fees or charges of any kind in connection therewith.

1.07 Insurance. Trustor shall be responsible to provide, maintain and keep in force such policies of insurance on the Mortgaged Property as Beneficiary shall, from time to time, require.

1.08 Casualty. Trustor shall promptly notify Beneficiary of any loss whether covered by insurance or not. In case of loss or damage by fire or other casualty, Beneficiary is authorized (i) after consultation with, or reasonable attempts to consult with, Trustor, to settle and adjust any claim under insurance policies which insure against such risks, or (ii) to allow Trustor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, all proceeds of insurance paid directly to Beneficiary, and Trustor hereby authorizes such payment and further authorizes Beneficiary to collect and receipt for any such insurance money. Such insurance proceeds may, at the sole option of the Beneficiary, be applied in the reduction of the indebtedness secured hereby, whether due or not, or may be used to reimburse Trustor for the cost of the repair, rebuilding or restoration of the Improvements or the repair or replacement of the Personal Property, provided that the insurance proceeds shall be held by the Beneficiary in an interest-bearing account with an FDIC-insured bank which interest shall accrue to the owner of such account and used to reimburse Trustor for the cost of the rebuilding or restoration of the Improvements on the Mortgaged Property. In the latter event, such proceeds shall be made available in the manner and under the conditions that the Beneficiary may require, including without limitation, (i) Beneficiary's approval of plans and specifications of such work before such work shall be commenced; (ii) Beneficiary's receiving evidence of suitable completion or performance bonds and insurance; and (iii) evidence that no insurer claims any rights or participation and/or assignment of rights with respect to the indebtedness secured hereby. The Improvements shall be restored or rebuilt and the Personal Property repaired or replaced so as to be of at least equal value and substantially the same character as prior to such damage or destruction. If the proceeds shall be made available by the Beneficiary to reimburse the Trustor for the cost of said rebuilding, restoration or replacement, any surplus which may remain out of said insurance proceeds after Payment of such cost of rebuilding, restoration or replacement shall, at the option of the Beneficiary, be applied on account of the indebtedness secured hereby in such order as Beneficiary may determine, or be paid to Trustor. Any application of all or a portion of the proceeds from any such loss to the indebtedness shall not cure or waive any default or notice of default hereunder or invalidate and act done pursuant to such notice. Trustor agrees to execute such further assignments of any claim, compensation, award, damages, right of action and proceeds as Beneficiary may require.

1.09 Condemnation. The Trustor, immediately upon obtaining knowledge of the institution of any proceeding for the condemnation of the Mortgaged Property or any portion thereof, shall notify Beneficiary of the pendency thereof. The Trustor hereby assigns, transfers and sets over unto the Beneficiary all compensation, rights of action, the entire proceeds of any award and any claim for damages for any of the Mortgaged Property taken or damaged under the power of eminent domain or by condemnation or by sale in lieu thereof. Beneficiary may, at its option, commence, appear in and prosecute, in its own name, any action or proceeding, or make any compromise or settlement, in connection with such condemnation, taking under the power of eminent domain or sale in lieu thereof. Beneficiary shall make reasonable effort to advise Trustor of the progress of any condemnation proceedings. After deducting therefrom all of its expenses, including attorneys fees, the Beneficiary may elect, in its sole discretion and notwithstanding the fact that the security given hereby may not be impaired by a partial condemnation, to:

(a) Apply any part or all of the proceeds of the award, in such order as Beneficiary may determine, upon or in reduction of the indebtedness secured hereby whether due or not; and

(b) Hold said proceeds and make them available for restoration or rebuilding of the Mortgaged Property. In the event that the Beneficiary elects to make said proceeds available to reimburse Trustor for the cost of the rebuilding or restoration of the Improvements on said Mortgaged Property, such proceeds shall be made available in the manner and under the conditions that the Beneficiary may require as set forth in Section 1.08 above. If the proceeds are made available by the Beneficiary to reimburse the Trustor for the cost of said rebuilding or restoration, any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall at the option of the Beneficiary be applied on account of the indebtedness secured hereby in such order as Beneficiary may determine or be paid to Trustor. Any application of all or a portion of the proceeds of any such award to the indebtedness shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Trustor agrees to execute such further assignments of any compensation, award, damages, right of action and proceeds as Beneficiary may require.

1.10 Liens and Encumbrances. Trustor shall pay when due all obligations, lawful claims or demands of any person which, if unpaid might result in, or permit the creation of, any lien or encumbrance on the Mortgaged Property or on the Rents and Profits, whether such lien would be senior or subordinate hereto, including, but without limiting the generality of the foregoing, all claims of mechanics, materialmen, laborers and others for work or labor performed, or materials or supplies furnished in connection with any work upon the Mortgaged Property. Notwithstanding the foregoing, Trustor shall have the right to

contest in good faith the validity of any such lien, encumbrance or charge, provided Trustor shall (i) establish to Beneficiary's reasonable satisfaction that Trustor has the means and ability to pay such lien, encumbrance or charge plus interest, costs and attorneys fees; (ii) deposit with Beneficiary a bond or other security satisfactory to Beneficiary in such amounts as Beneficiary shall reasonably require, but not more than one and one-quarter (125%) times the amount of the claim plus costs, expenses (including attorneys fees) and interest, and provided further that in the case of either (i) or (ii) Trustor shall thereafter diligently proceed to cause such lien, encumbrance or charge to be removed and discharged. If Trustor shall fail to discharge any such lien, encumbrance or charge, or to provide such bond or other security, then, in addition to any other right or remedy of Beneficiary, Beneficiary may, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such lien by depositing in court a bond for the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law. Any such amount so expended by Beneficiary shall be treated as an Advance under Section 1.18.

1.11 Taxes, Assessments and Utility Charges. The Trustor shall pay in full when due, and in any event before any penalty or interest attaches, all general taxes and assessments, special taxes, special assessments, water charges, sewer service charges and all other charges against the Mortgaged Property and shall furnish to Beneficiary official receipts evidencing the payment thereof.

1.12 Indemnification. The Trustor shall appear in and defend any suit, action or proceeding that might in any way, in the sole judgment of Beneficiary, affect the value of the Mortgaged Property, the title to the Mortgaged Property or the rights and powers of Trustee or Beneficiary except as may result from the negligence of Beneficiary. Trustor shall, at all times, indemnify, hold harmless and on demand reimburse Beneficiary for any and all loss, damage, expense or cost, including cost of evidence of title and attorneys fees, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such expenditures shall be secured by this Deed of Trust and shall accrue interest at the Default Rate, as that term is defined in the Note, and shall be due and payable on demand. Trustor shall pay costs of suit, cost of evidence of title and reasonable attorneys fee in any proceeding or suit brought by Trustee or Beneficiary to foreclose this Deed of Trust.

1.13 Sale or Encumbrance of Premises Not Permitted. Trustor specifically acknowledges that:

(a) The Mortgaged Property shall not be sold, conveyed, encumbered or transferred by Trustor without the Beneficiary's prior, written consent. If title to said Mortgaged Property shall pass from Trustor by deed or otherwise, or if said

Mortgaged Property is sold on contract, or if the Mortgaged Property is vacated by Trustor, such change in title or occupancy shall be deemed to increase the risk of Beneficiary and Beneficiary may declare all sums secured hereby immediately due and payable, or may, at its sole option, consent to such change in title or occupancy and require any or all of the following changes in the loan secured hereby. It is specifically provided, however, that this Section 1.13 shall not be breached or violated by virtue of a change in title or beneficial ownership of the Mortgaged Property by testate or intestate succession, devise or descent;

(b) Beneficiary shall not be under any obligation, express or implied, to consider or to consent to a sale or transfer of the Mortgaged Property or subordinate financing on the Mortgaged Property. Should Beneficiary, in its sole discretion, elect to so consider or consent, then Beneficiary may impose certain conditions in connection with its consideration of and/or its granting of such request, which conditions may include, without limiting the generality of the foregoing, the following:

(i) that in the case of a proposed sale of the Mortgaged Property and the assumption of the indebtedness secured hereby, Beneficiary shall find as acceptable the creditworthiness of the proposed purchaser applying prudent underwriting criteria in light of the particular circumstances and requirements of the Mortgaged Property, including the managerial experience and ability of the proposed purchaser;

(ii) that in the case of junior financing (only junior financing will be considered), Beneficiary shall find as acceptable the proposed financing in the light of prudent underwriting standards and especially as related to the ratio of total debt service expense to the gross and net income of the Mortgaged Property;

(iii) that, in either case, the rate of interest set forth in the Note may be increased and/or the Maturity Date may be changed;

(iv) that, in either case, Beneficiary may charge, and shall be paid, a fee for processing the application for its consent plus its out-of-pocket expenses, and if such consent shall be granted, Beneficiary may charge a fee for granting its consent to the matters requested;

(v) that in connection with any such assumption all necessary documents of transfer including new financing statements will be delivered to Beneficiary and will be properly executed and filed;

(vi) that appropriate endorsements to Beneficiary's title insurance policy reflecting any change in the Loan Documents will be provided to Beneficiary;

[Page 12 has been intentionally omitted]

(vii) that appropriate changes to insurance policies will be made and delivered to Beneficiary:

(viii) that in connection with any such assumption neither Trustor, as the original borrower under the Note, nor any guarantor thereof shall be released from its obligations under the Note, this Deed of Trust or the Loan Documents by reason of any such assumption approved by Beneficiary in accordance with provisions of this Section 1.13; and

(ix) that each of the above and such other requirements will be satisfied, at Trustor's sole cost and expense, as in Beneficiary's judgment will preserve to Beneficiary the benefits flowing to it from the loan secured hereby prior to the approval of such assumption or subordinate financing, and that Beneficiary will be reimbursed for any and all costs and expenses, including legal fees, which are incurred in Processing the request for its consent, and in any event Beneficiary shall be saved harmless from any costs and expenses in connection with any such application under this section: and

(c) In the event ownership of the Mortgaged Property, or any part thereof, becomes vested in a person or persons other than Trustor, the Beneficiary may deal with such successor or successors in interest with reference to the Note or this Deed of Trust in the same manner as with Trustor, without in any way releasing, discharging or otherwise affecting the liability of Trustor under the Note, this Deed of Trust or the other Loan Documents. No sale of the Mortgaged Property, no forbearance on the part of Beneficiary, no extension of the time for the payment of the Deed of Trust indebtedness or any change in the terms thereof consented to by Beneficiary shall in any way whatsoever operate to release, discharge, modify, change or affect the original liability of the Trustor herein, either in whole or in part. Any deed conveying the Mortgaged Property, or any part thereof, shall provide that the grantee thereunder assume all of Trustor's obligations under the Note, this Deed of Trust and all other Loan Documents. In the event such deed shall not contain such assumption, Beneficiary shall have all rights reserved to it hereunder in the event of a default or if Beneficiary shall not elect to exercise such rights and remedies, the grantee under such deed shall nevertheless be deemed to have assumed such obligations by acquiring the Mortgaged Property or such portion thereof subject to this Deed of Trust.

1.14 Transfer of Personal Property. Trustor shall not voluntarily, involuntarily or by operation of law sell, assign, transfer, hypothecate or otherwise dispose of the Personal Property or any interest therein and shall not otherwise do or permit anything to be done or occur that may impair the Personal Property as security hereunder, except that so long as this Deed of Trust is not in default, Trustor shall be permitted to sell or otherwise dispose of the Personal Property when absolutely worn out, inadequate, unserviceable or unnecessary for use in the operation of the Property or in the conduct of the business of

Trustor, upon replacing the same or substituting for the same other Personal Property at least equal in value to the initial value of that disposed of and in such a manner so that said Personal Property is sold in connection with the sale of the Property. Trustor shall require, as a condition of the sale, that the buyer specifically agree to assume Trustor's obligations as to the security interest herein granted and to execute whatever agreements and filings may be deemed necessary by Beneficiary to maintain its perfected security interest in the Personal Property or any such replacement or substitution therefor.

1.15 Title to Replacements and Substitutions. All right, title and interest of Trustor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to the Personal Property, Improvements or the Mortgaged Property hereafter acquired by or released to Trustor or constructed, assembled or placed by Trustor on the Mortgaged Property, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further deed of trust, conveyance, assignment or other act by Trustor, shall become subject to the lien of this Deed of Trust as fully and completely, and with the same effect and in the same priority as the lien of this Deed of Trust shall have attached to the item so replaced or substituted immediately prior to such replacement or substitution, as though now owned by Trustor and specifically described in the granting clause hereof, but at any and all times Trustor will execute and deliver to Trustee any and all such further assurances, deeds of trust, conveyances or assignments thereof as Trustee or Beneficiary may reasonably require for the purpose of expressly and specifically subjecting the same to the lien of this Deed of Trust.

1.16 Security Agreement. This Deed of Trust shall be self-operative and shall constitute a Security Agreement as that term is defined in the Nevada Uniform Commercial Code with respect to all of those portions of the Mortgaged Property which constitute personal property or fixtures governed by the applicable Uniform Commercial Code, provided, however, Trustor hereby agrees to execute and deliver on demand and hereby irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor, to execute, deliver and, if appropriate, to file with the appropriate filing officer or office such security agreement, financing statement or other instruments as Beneficiary may request or require in order to impose or perfect the lien or security interest hereof more specifically thereon. This Deed of Trust shall further be self-operative and shall constitute a Security Agreement as that term is defined in the Nevada Uniform Commercial Code with respect to and all Reserves held by Beneficiary pursuant to Section 1.04 hereof.

1.17 Management. Upon the occurrence of an Event of Default as defined herein and upon twenty (20) days prior written notice to Trustor, Trustor agrees to install third-party professional management of the Mortgaged Property reasonably acceptable to Beneficiary. Such an appointment of professional management shall not be deemed to be possession of the Mortgaged Property by Beneficiary. Unless otherwise required pursuant to the Loan Documents or by the action of Beneficiary pursuant thereto, the rents, issues and profits flowing from the Mortgaged Property shall continue to be received by Trustor during the term of any such professional management. Such installation shall be at the sole discretion of the Beneficiary and nothing herein shall obligate the Beneficiary to exercise its right to install professional management. The cost of such management shall be borne by Trustor and shall be treated as an Advance under Section 1.18. Upon cure of the Event of Default which gave rise to the installation of professional management by Beneficiary, and there being no other default existing under the Note, this Deed of Trust, or any other Loan Documents, then Trustor may immediately reassume the management of the Mortgaged Property. Nothing contained herein shall limit Beneficiary's right to obtain the appointment of a receiver in accordance with this Deed of Trust or applicable law.

1.18 Advances. If Trustor shall fail to perform any of the covenants herein contained or contained in any other Loan Document, the Beneficiary may, but without obligation to do so, pay any and all amounts necessary to perform same or cause same to be performed on behalf of Trustor, and all sums so expended by Beneficiary for payment of any item whatsoever, including, but not by limiting the generality of the foregoing, payment of taxes insurance premiums, lienclaimants or assessments shall be secured by this Deed of Trust and each such payment shall be and all such payments shall be collectively referred to herein as an "Advance". The Trustor shall repay to Beneficiary on demand each and every Advance and the sum of each such Advance shall accrue interest at the Default Rate, as that term is defined in the Note, from the date of each Advance until repaid to Beneficiary. Nothing herein contained, including the payment of such amount or amounts by Beneficiary, shall prevent any such failure to perform on the part of Trustor from constituting an Event of Default as defined herein.

1.19 Financial Statements. Trustor will cause to be delivered to Beneficiary as soon as practicable, but in any event, within one hundred twenty (120) days after demand by Beneficiary, a statement of condition or balance sheet of Trustor as at the end of such operating year, certified as to accuracy by an independent certified public accountant or a representative of Trustor acceptable to Beneficiary, and within one hundred twenty (120) days after the close of each operating year of Trustor, an annual operating statement showing in reasonable detail all income and expenses of Trustor with respect to the operation of the Mortgaged Property, also certified as to accuracy by an independent certified public accountant or a representative of

Trustor acceptable to Beneficiary. Unless Beneficiary shall reasonably object, the certification of Trustor's representative will be acceptable for the purposes of this Section.

1.20 Time. The Trustor agrees that time is of the essence hereof in connection with all obligations of the Trustor herein, in the Note or any other Loan Documents.

1.21 Estoppel Certificates. The Trustor within twenty (20) days after written request shall furnish a duly acknowledged written statement setting forth the amount of the debt secured by this Deed of Trust, and stating either that no setoffs or defenses exist against the Deed of Trust debt, or, if such setoffs or defenses are alleged to exist, the nature thereof.

1.22 Records. The Trustor agrees to keep adequate books and records of account in accordance with generally accepted accounting principles and will permit the Beneficiary and Trustor's agents, accountants and attorneys, to visit and inspect the Mortgaged Property and examine its books and records of account in respect of the Mortgaged Property, and to discuss its affairs, finances and accounts with the Trustor, at such reasonable times as Beneficiary may request.

1.23 Assignment of Rents and Profits. Trustor does hereby assign to Beneficiary all Rents and Profits as follows:

(a) The Rents and Profits are hereby assigned, transferred, conveyed and set over to Beneficiary to be applied by Beneficiary in payment of the principal and interest and all other sums payable on the Note, and all other sums payable under this Deed of Trust. Prior to the happening of any Event of Default as set forth in Article II hereof, Trustor shall have a license to collect and receive all Rents and Profits as trustee for the benefit of Beneficiary and shall apply the amount so collected first to the payment of the principal and interest and all other sums due and payable on the Note and to the payment of all other sums payable under this Deed of Trust; so long as no Event of Default has occurred, the balance shall be distributed to the account of Trustor. Nothing contained in this Section 1.23(a) or elsewhere in this Deed of Trust shall be construed to make Beneficiary a mortgagee in possession unless and until Beneficiary actually takes possession of the Mortgaged Property either in person or through an agent or receiver:

(b) Trustor further agrees to execute such other assignments of Rents and Profits applicable to the Mortgaged Property as the Beneficiary may from time to time request while this Deed of Trust and the debt secured hereby are outstanding. Trustor shall not (i) execute (except as noted above) an assignment of any of its right, title or interest in the Rents and Profits or any portion thereof, (ii) execute any lease of any portion of the Mortgaged Property except in accordance with leasing criteria established by Beneficiary and given to Trustor, (iii) except where the lessee is in default thereunder, terminate

or consent to the cancellation or surrender of any lease or tenancy of the Mortgaged Property or of any part thereof, now existing or hereafter to be made, having an unexpired term of six (6) months or more, (iv) modify, alter or amend any such lease or tenancy, of the Mortgaged Property including, without limitation, shortening the unexpired term thereof or decreasing the amount of the rents payable thereunder except in accordance with leasing criteria established by Beneficiary and given to Trustor, (v) accept prepayments more than sixty (60) days prior to the due date of any installments of rents to become due and payable under such leases or tenancies, except prepayments in the nature of security deposits for the performance of the lessees thereunder, (vi) consent to an assignment or subletting thereof, in whole or in part, without Beneficiary's prior written consent, or (vii) in any other manner impair the value of the Mortgaged Property or the security of the Beneficiary for the payment of the indebtedness;

(c) Trustor covenants and agrees that it shall at all times promptly and faithfully perform, or cause to be performed, all of the covenants, conditions and agreements contained in all leases of the Mortgaged Property now or hereafter existing, on the part of the lessor thereunder to be kept and performed:

(d) Nothing herein shall obligate the Beneficiary to perform the duties the Trustor as landlord or lessor under any such leases or tenancies; and

(e) The Trustor shall furnish to the Beneficiary, within fifteen (15) days after a request by the Beneficiary to do so, a written statement containing the names of all lessees or occupants of the Mortgaged Property, the terms of their respective leases or tenancies, the spaces occupied and the rentals paid. If any of such leases provide for the giving by the lessee of certificates with respect to the status of such leases, the Trustor shall exercise its right to request such certificates within fifteen (15) days of any demand therefor by the Beneficiary.

1.24 Compliance with Covenants. Trustor warrants that it is not in violation of any covenant, condition or restriction regarding the ownership, use or occupancy of the Mortgaged Property and that the use of Improvements, upon completion thereof, shall not constitute a violation of any such covenant, condition or restriction. If Trustor shall fail to perform any obligations set forth in such covenants, conditions or restrictions, the Beneficiary may, but without obligation to do so, pay any and all amounts necessary to perform same or cause same to be performed on behalf of Trustor, and all sums so expended by Beneficiary for any such payment or performance shall be secured by this Deed of Trust and shall be an Advance under the terms of this Deed of Trust. Trustor's failure to perform its obligations under any such declaration or mutual arrangement shall constitute an Event of Default.

ARTICLE II

Default

2.01 Events of Default. The following shall be deemed to be events of default (herein "Events of Default") hereunder:

(a) Failure by Borrower to pay in full on or before the maturity Date, as that term is defined in Section 5.19 or any proper extension thereof as provided in the Note, all amounts due and payable under the Note, this Deed of Trust and each and every other Loan Document;

(b) Failure by Borrower to make any monthly payment within five (5) days or written notice given to Trustor, which payment shall be due in accordance with the provisions of the Note or this Deed of Trust (whether due on the date provided therein or by acceleration or otherwise):

(c) Failure to perform any of the other terms, covenants, conditions or obligations Trustor is obligated to so perform under the terms of the Note, this Deed of Trust, any Loan Document or any other document executed in connection herewith that is not remedied within the time period specified in the Note or the Loan Documents relative to such default, or if no time period is specified for such default, within thirty (30) days after written notice thereof to Trustor; provided, however, the time period for curing any such non-monetary default shall be extended, but not longer than ninety (90) days, so long as:

(i) in the reasonable judgment of Beneficiary, the security for the Note shall not be materially impaired; and

(ii) in the reasonable judgment of Beneficiary, Trustor shall have commenced to cure such non-monetary default within the time period specified in the Note, this Deed of Trust or the Loan Documents relative to such default or if no time period is specified for such default, within thirty (30) days after delivery of notice, and shall thereafter diligently pursue such efforts to cure.

(d) Breach of any material warranties or representations given by Trustor to Beneficiary or if any warranty, representation or disclosure made by Trustor proves to be materially false or misleading on the date on which it was made, whether or not the warranty, representation or disclosure appears in this Deed of Trust, any other Loan Document, or any document or information provided to Beneficiary to be used in determining whether or not to make the loan evidenced by the Loan Documents;

(e) Institution of foreclosure or other proceedings to enforce any deed of trust or any security interest or other lien or encumbrance of any kind upon the Mortgaged Property or any portion thereof;

(f) Should the Trustor, or any guarantor of the Note or any successors and assigns thereof, including without limitation, the current owners of any interest in the Mortgaged Property:

(i) file a petition in voluntary bankruptcy or for an arrangement or reorganization pursuant to Chapters 7, 11, or 13 of the Federal Bankruptcy Act or any similar law, state or federal, whether now or hereafter existing (hereafter referred to as a Bankruptcy Proceeding"); or

(ii) file any answer admitting insolvency or inability to pay its debts; or

(iii) fail to obtain a vacation or stay of any involuntary Bankruptcy Proceeding within sixty (60) days from the date of filing thereof; or

(iv) be adjudicated a bankrupt or declared insolvent in any Bankruptcy Proceeding; or

(v) have a trustee or receiver appointed for or have any court take jurisdiction of its property, or the major part thereof, in any involuntary proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation if such trustee or receiver shall not be discharged or if such jurisdiction shall not be relinquished, vacated or stayed on appeal or otherwise within sixty (60) days; or

(vi) make an assignment for the benefit of its creditors; or

(vii) admit in writing its inability to pay its debts generally as they become due; or

(viii) consent to an appointment of a receiver or trustee of all of its property, or the major part thereof;

(g) Voluntary or involuntary termination or suspension of the business of Trustor or the attachment or seizure of a substantial part of Trustor's assets or any portion of the Mortgaged Property;

(h) Any other event occurs which under the Note, this Deed of Trust or any other Loan Document constitutes a default or gives the Beneficiary the right to accelerate the maturity of the indebtedness; and/or

(i) The occurrence of a default under any other deed of trust, mortgage or other document or instrument given by Trustor to secure repayment of and Borrower's performance under the Note.

ARTICLE III

Remedies

Upon the occurrence of any Event of Default, Trustee and Beneficiary shall have the following rights and remedies:

3.01 Acceleration of Maturity. Beneficiary may declare the entire principal of the Note then outstanding (if not then due and payable thereunder) and all other obligations of Trustor hereunder, to be due and payable immediately, and upon any such declaration the principal of the Note and accrued and unpaid interest, and all other amounts to be paid under the Note, this Deed of Trust or any other Loan Document shall become and be immediately due and payable, anything in the Note or in this Deed of Trust to the contrary notwithstanding.

3.02 Default Interest. Irrespective of whether Beneficiary exercises any other right set forth in this Article III, the entire principal balance under the Note shall thereafter earn interest at the Default Rate, as defined in the Note.

3.03 Operation of Mortgaged Property. Beneficiary in person or by agent may, without any obligation so to do and without notice or demand upon Trustor and without releasing Trustor from and obligation hereunder: (i) make any payment or do any act which Trustor has failed to make or do; (ii) enter upon, take possession of manage and operate the Mortgaged Property or any part thereof; (iii) make or enforce, or if the same be subject to modification or cancellation, modify or cancel leases upon such terms or conditions as Beneficiary deems proper; (iv) obtain and evict tenants, and fix or modify rents, make repairs and alterations and do and acts which Beneficiary deems proper to protect the security hereof; and (v) with or without taking possession, in its own name or in the name of Trustor, sue for or otherwise collect and receive the Rents and Profits and all other benefits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine.

3.04 Judicial Remedies. Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust or to enforce any of the covenants and agreements hereof and to take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note, this Deed of Trust or any other Loan Document, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as the Beneficiary shall elect.

3.05 Maintenance of Mortgaged Property. Beneficiary may have a receiver appointed by a court of competent jurisdiction for the purpose of collecting rents and managing the Mortgaged Property or the Trustee or Beneficiary personally, or by its agents or attorneys, or by the receiver appointed by the court, may enter into and upon all or any part of the Mortgaged Property, and each and every part thereof, and may exclude the Trustor, its agents and servants wholly therefrom, and having and holding the same, may use, operate, manage and control the Mortgaged Property and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers. Upon every such entry, any party occupying the Mortgaged Property in accordance with this Article III, at the expense of the Mortgaged Property or Trustor, may from time to time maintain and restore the Mortgaged Property or any part thereof either by purchase, repair or construction, and in the course of such purchase, repair or construction may make such changes in the Improvements as it may deem desirable and may insure the same. Likewise, from time to time, at the expense of the Mortgaged Property, the Trustee or Beneficiary or any such party may make all necessary or proper repairs, renewals and replacements of the Personal Property and such useful alterations, betterments and improvements thereto and thereon as to it may seem advisable. In every such case the Trustee or Beneficiary or any such party shall have the right to manage and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of the Trustor with respect thereto either in the name of the Trustor or otherwise as it shall deem best and shall be entitled to collect and receive the Rents and Profits of the Mortgaged Property and every part thereof and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and prior or other charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation for the agents, clerks, servants and other employees by it properly engaged and employed, the Beneficiary shall apply the monies arising as aforesaid, in the order as is set forth in the Note.

3.06 Rights of Secured Party. Beneficiary shall have all of the remedies of a Secured Party under the Uniform Commercial Code of Nevada, including without limitation, the right and power to sell, or otherwise dispose of, the Personal Property, or any part thereof, and for that purpose may take immediate and exclusive possession of the Personal Property, or any part thereof, and with or without judicial process, enter upon any premises on which the Personal Property or any part thereof, may be situated and remove the same therefrom without being deemed guilty of trespass and without liability for damages thereby occasioned, or at Beneficiary's option Trustor shall assemble the Personal Property and make it available to the Beneficiary at the place and the time designated in the demand. Beneficiary shall be entitled to hold, maintain, preserve and prepare the

Personal Property for sale. Beneficiary, without removal of the Personal Property from the Mortgaged Property, may render the Personal Property unusable and dispose of the Personal Property on the Mortgaged Property. To the extent permitted by law, Trustor expressly waives any notice of sale or other disposition of the Personal Property and any other right or remedy of Beneficiary existing after default hereunder, and to the extent any such notice is required and cannot be waived, Trustor agrees that as it relates to this Section 3.06 only, if such notice is marked, postage prepaid, to the Trustor at the below address at least twenty (20) days before the time of the sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement forgiving of said notice.

3.07 Foreclosure. All rights, powers and privileges granted to or conferred upon a beneficiary and trustee under a deed or trust in accordance with the laws of the State of Nevada are hereby adopted and incorporated into this Deed of Trust by this reference and in accordance with such rights, powers and privileges.

(a) The Trustee may, and upon the written request of Beneficiary shall, with or without entry personally or by its agents for attorneys insofar as applicable pursuant to and in accordance with the laws of Nevada:

(i) in exercise of this power of sale, in the manner permitted and upon compliance with the applicable provisions of the laws of the State of Nevada, sell the Mortgaged Property, and all estate, right, title and interest, claim and demand therein, and right of redemption thereof, at one or more sales in its entirety or in parcels, and at such time and place and after such notice thereof as may be required or permitted by law at public auction to the highest bidder for cash in lawful money or the United States, payable at the time of sale; or

(ii) institute proceedings for the complete or partial foreclosure of this Deed of Trust as a mortgage; or

(iii) apply to any court of competent jurisdiction for the appointment of a receiver or receivers for the Mortgaged Property and of all the earnings, revenues, rents, issues, profits and income thereof; or

(iv) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note or if this Deed of Trust, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Beneficiary shall select;

(b) The Trustee may adjourn from time to time in the manner provided by law, any sale by it made under or by virtue

of this Deed of Trust by announcement at the time and place appointed for such sale or sales and, except as otherwise provided by any applicable provision of law, the Trustee without further notice or publication, may make such sale at the time and place to which the sale shall be so adjourned;

(c) Upon the completion of any sale or sales made by the Trustee under or by virtue of this Section, the 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, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any such sale or sales made under or by virtue of this Section 3.07 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 the Trustor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against the Trustor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under the Trustor:

(d) In the event of any sale made under or by virtue of this Section 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, the entire principal of and all accrued interest on the Note and all other sums required to be paid by the Trustor pursuant to this Deed of Trust, shall become due and payable, anything in the Note or in this Deed of Trust to the contrary notwithstanding;

(e) The purchase money proceeds or avails of any sale made under or by virtue of this Section 3.07, together with any other sums which then may be held by the Trustee or Beneficiary under this Deed of Trust whether under the provisions of this Section or otherwise, shall be applied as follows:

First: To the payment of the costs and expenses of such sale, including reasonable compensation to the Trustee, its agents and counsel, and of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and Advances made or incurred by the Trustee or Beneficiary under this Deed of Trust together with interest at the Default Rate, except any taxes, assessments or other charges subject to which the Mortgaged Property has been sold;

Second: To the payment of the amounts evidenced by the Note and in the order as is set forth in the Note, including, without limitation, the payment of Beneficiary's attorneys fees incurred and to be paid pursuant to Section 5.10 hereof;

Third: To the payment of any other sums required to be paid by the Trustor pursuant to any provisions of this Deed of Trust or of the Note; and

Fourth: To the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same; and

(f) Upon any sale made under or by virtue of this Section 3.07, whether made under the power of sale herein granted or granted in accordance with the laws of the state in which the Property is located or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, the Beneficiary may bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the indebtedness of the Trustor secured by this Deed of Trust the net sales price after deducting therefrom the expenses of the sale and the cost of the action and any other sums which the Beneficiary is authorized to deduct under this Deed of Trust. The Beneficiary upon so acquiring the Mortgaged Property, or any part thereof shall be entitled to hold, lease, rent, operate, manage and sell the same in any manner provided by applicable laws.

3.08 Leases. In the event the Beneficiary shall institute judicial proceedings to foreclose the lien hereof, and shall be appointed as mortgagee in possession of the Mortgaged Property, the Beneficiary during such time as it shall be mortgagee in possession of the Mortgaged property pursuant to an order or decree entered in such judicial proceedings, shall have, and the Trustor hereby gives and grants to the Beneficiary, the right, power and authority to make and enter into leases of the Mortgaged Property or any portion thereof for such rents and for such periods or occupancy and upon conditions and provisions as such Mortgagee in possession may deem desirable, and Trustor expressly acknowledges and agrees that the term of any such lease may extend beyond the date of any sale of the Mortgaged Property pursuant to decree rendered in such judicial proceedings; it being the intention of the Trustor that while the Beneficiary is a mortgagee in possession of the premises pursuant to an order or decree entered in such judicial proceedings, such Beneficiary shall be deemed to be and shall be the attorney-in-fact of the Trustor for the purpose of making and entering into leases of parts or portions of the Mortgaged Property for the rents and upon the terms, conditions and provisions deemed desirable to such Beneficiary and with like effect as if such leases had been made by the Trustor as the owner in fee simple of the Mortgaged Property free and clear of any conditions or limitations established by this Deed of Trust. The power and authority hereby given and granted by the Trustor to Beneficiary shall be deemed to be coupled with an interest and shall not be revocable by Trustor.

3.09 Redemption. In the event the Mortgaged Property or any part thereof shall be sold upon foreclosure as a mortgage as

provided hereunder, the sum for which the same shall have been sold shall, for purposes of redemption and to the extent permitted by law, bear interest at the Default Rate from the date or sale until paid.

3.10 Action by Beneficiary or Agent. Subject to and in accordance with applicable law, any of the actions referred to in Article may be taken by Beneficiary, either in person or by agent, with or without bringing any action or proceeding, or by receiver appointed by a court, and any such action may also be taken irrespective of whether any notice of default or election to sell has been given hereunder and without regard to the adequacy of the security for the indebtedness hereby secured.

3.11 Marshalling of Assets. To the extent allowed by applicable law, Trustor on its own behalf and on behalf of its successors and assigns hereby expressly waives all rights to require a marshalling of assets by Trustee or Beneficiary or to require Trustee or Beneficiary to first resort to the sale of any portion of the Mortgaged Property which might have been retained by Trustor before foreclosing upon and selling any other portion as may be conveyed by Trustor subject to this Deed of Trust.

3.12 Occupancy by Trustor. In the event of a trustee's sale hereunder, it at the time of such sale Trustor occupies the portion of the Mortgaged Property so sold or any part thereof, Trustor shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either the tenant or any such purchaser, at a reasonable rental per day based upon the value of the portion of the Mortgaged Property so occupied, such rental to be due and payable daily to the purchaser. In action of forcible detainer shall lie if the tenant holds over after a demand in writing from the purchaser for possession of such Mortgaged Property.

3.13 Remedies Cumulative. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission of Trustee or Beneficiary to exercise any right or power accruing upon any Event of Default shall impair any right or power or shall be construed to be a waiver of any Event of Default or any acquiescence therein; and every power and remedy given by this Deed of Trust to Trustee or Beneficiary may be exercised from time to time as often as may be deemed expedient by Trustee or Beneficiary. If there exists additional security for the performance of the obligations secured hereby, the holder of the Note, at its sole option, and without limiting or affecting any of the rights or remedies hereunder, may exercise any of the rights and remedies to which it may be entitled hereunder either concurrently with whatever rights it may have in connection with such other security or in such order as it may determine. Nothing in this Deed of Trust or

in the Note shall affect the obligation of Trustor to pay the principal of, and interest on, the Note in the manner and at the time and place therein respectively expressed.

ARTICLE IV

Trustee

4.01 Acceptance of Trust, Notice of Indemnification. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, becomes a public record as provided by law. Trustee is not obligated to notify any party hereto of a pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Beneficiary or Trustee shall not be obligated to perform any act required of it hereunder unless the performance or such act is requested in writing, and Trustee is reasonably indemnified against loss, cost, liability and expense.

4.02 Substitution of Trustee. From time to time, by a writing signed and acknowledged by Beneficiary and filed for record in the office of the Recorder of the County in which the Mortgaged Property is situated, Beneficiary may appoint another trustee to act in the place and stead of Trustee or any successor, such writing shall refer to this Deed of Trust and set forth the date, book and page of its recordation. The recordation of such instrument of substitution shall discharge trustee herein named and shall appoint the new trustee as the Trustee hereunder with the same effect as if originally named Trustee herein. A writing recorded pursuant to this paragraph shall be conclusive proof of the proper substitution of such new trustee.

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

4.04 Reconveyance of Trust. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender to Trustee of this Deed of Trust and the Note or notes secured hereby for cancellation and retention and payment of its fees, Trustee shall reconvey, without warranty, the Mortgaged Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance, may be described as the person or persons legally entitled thereto.

4.05 Indemnification of Trustee. Trustee may rely on any document believed by him in good faith to be genuine. All money received by Trustee shall, until used or applied as herein provided, be held in trust, but need not be segregated (except to the extent required by law); and, Trustee shall not be liable for interest thereon. Grantor shall indemnify Trustee against all liability and expenses which he may incur in the performance of his duties hereunder.

ARTICLE V

Miscellaneous

5.01 Non-Waiver. By accepting payment of any sum secured hereby after its due date or late performance of any indebtedness secured hereby, Beneficiary shall not waive its right against any person obligated directly or indirectly hereunder or on any indebtedness hereby secured, either to require prompt payment when due of all other sums so secured or to declare a default for failure to make payment except as to such payment accepted by Beneficiary. No exercise of any right or remedy by Trustee or Beneficiary hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law.

No delay or omission of the Trustee or Beneficiary in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

Receipt of rents, awards, and any other monies or evidences thereof, pursuant to the provisions of this Deed of Trust and any disposition of the same by Trustee or Beneficiary shall not constitute a waiver of the power of sale or right of foreclosure by Trustee or Beneficiary in the event of a default or failure or performance by Trustor of any covenant or agreement contained herein or the Note secured hereby.

5.02 Right to Release. Without affecting the liability of any other person for the payment of any indebtedness herein mentioned (including Trustor should it convey said Mortgaged Property) and without affecting the lien or priority hereof upon any property not released, Beneficiary may, without notice, release any person so liable, extend the maturity or modify the terms or any such obligation, or grant other indulgences, release or reconvey or cause to be released or reconveyed at any time all or any part of the Mortgaged Property, take or release any other security or make compositions or other arrangements with debtors. Beneficiary may also accept additional security, either concurrently herewith or hereafter, and sell same or otherwise realize thereon either before, concurrently with, or after sale hereunder.

5.03 Protection of Security. Should Trustor fail to make any payment or to perform any covenant as herein provided, Beneficiary (but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof) may: (i) make or do the same in such manner and to such extent as Beneficiary may deem necessary to protect the security hereof, Beneficiary being authorized to enter upon the Mortgaged Property for such purposes; (ii) commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary; and/or (iii) pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of Beneficiary is prior or superior hereto and, in exercising any such power, incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title and reasonable counsel fee. Any expenditures in connection herewith shall be deemed an advance and shall constitute part of the indebtedness secured by this Deed of Trust.

5.04 Rules of Construction. When the identity of the parties hereto or other circumstances make it appropriate, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The headings of each article, section or paragraph are for information and convenience only and do not limit or construe the contents of any provision hereof.

5.05 Severability. If any term of this Deed of Trust or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Deed of Trust, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Deed of Trust shall be valid and enforceable to the fullest extent.

5.06 Successors in Interest. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, executors, administrators, successors and assigns. All obligations of Trustor hereunder are joint and several. The term "Beneficiary" shall mean the holder and owner, including pledgees, of the Note secured hereby, whether or not named as Beneficiary herein.

5.07 Governing Law. This Deed of Trust shall be construed according to and governed by the laws of the State of Nevada.

5.08 Modifications. This Deed of Trust may not be amended, modified or changed nor shall any waiver of any provision hereof be effective, except only by an instrument in writing and signed by the Party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

5.09 No Merger. If both the Lessor's and Lessee's estates under any lease or any portion thereof which constitutes a part

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

5.10 Attorneys' Fees. In the event that this Deed of Trust is placed in the hands of an attorney for collection, or if suit be brought to enforce the Note, this Deed of Trust or the Loan Documents, or in case it becomes necessary to protect the security for the indebtedness evidenced hereby, or in the event Beneficiary shall be made party to any litigation merely because of the existence of the indebtedness evidenced by the Note, this Deed of Trust or because of the existence of the Note and/or the Loan Documents, Beneficiary shall be entitled to receive its costs and reasonable attorneys fees both before and after judgment and whether or not suit be filed. Said costs and attorneys' fees shall include, without limitation, costs and attorneys fees incurred in any appeal and in any proceedings under any present or future federal bankruptcy act or state receivership act. The Trustor together with any endorsers, guarantors, sureties, accommodation parties to the Note and all other persons liable or to become liable on the Note, jointly and severally, to pay all such costs and fees.

5.11 Conflict. If the terms of this Deed of Trust or any other Loan Document, except the Note, shall be in conflict with this Deed of Trust, then this Deed of Trust shall govern to the extent of the conflict. If the terms of this Deed of Trust shall be in conflict with the Note, the Note will then govern to the extent of the conflict.

5.12 Fixture Filing. With respect to any fixtures included within the Mortgaged Property hereunder, and with respect to any goods or other personal property that are or are to become such fixtures, this Deed of Trust shall constitute a financing statement under the Uniform Commercial Code of Nevada. It is intended that as to such fixtures (including such goods or other personal property) and the proceeds thereof this Deed of Trust shall be effective as a financing statement filed as a fixture filing in the real estate records of the county in which the real estate is located. The land affected by this Deed of Trust consists of the real estate described on Exhibit "A" hereto. The owner of record of such land is the Trustor herein. Information concerning the interest of Beneficiary in

such fixtures may be obtained from Beneficiary at its address as set forth in this Deed of Trust. Beneficiary is a purchase money lender.

5.13 Notices. All notices to be given pursuant to this Deed of Trust shall be sufficient if given by personal service, telex or telegram or mailed postage prepaid, certified or registered mail, return receipt requested, to the above described addresses of the parties hereto as set forth below, or to such other address as a party may request in writing. Any time period provided in the giving or any notice hereunder shall commence upon the date of personal service, the date of sending the telex or telegram or three (3) days after mailing certified or registered mail.

Trustor's Address: HARMSEN FAMILY LIMITED PARTNERSHIP
c/o Stephen M. Harmsen
350 South 400 East #203
Salt Lake City, Utah 84111

Beneficiary's Address: CORPORATION OF THE PRESIDING BISHOP
OF THE CHURCH OF JESUS CHRIST OF
LATTER-DAY SAINTS
Finance Department
14th Floor
50 East North Temple
Salt Lake City, UT 84150
Attn: Richard Edgley

with duplicate notice to:
Gregory S. Bell, Esquire
KIRTON, McCONKIE & BUSHNELL
330 South 300 East
Salt Lake City, Utah 84111

5.14 Request for Notice of Default. Trustor requests that a true and correct copy or any notice of default and any notice of sale be sent to Trustor at the address set forth in Section 5.13 hereof.

5.15 Late Charges. As set forth and defined in the Note, there shall be due to Beneficiary a Late Charge of five percent (5%) of the amount of any payment which is received by Beneficiary so as to incur a Late Charge, and all such Late Charges are secured hereby.

5.16 Waiver of Escrows for Taxes and Insurance Premiums. Notwithstanding the provisions hereof and in particular Section 1.04 which requires Trustor to make escrow impound payments for taxes and insurance premiums, Beneficiary agrees not to require such payments provided that:

(a) ownership of the Mortgaged Property remains unchanged except transfers permitted without Beneficiary's consent under Section 1.13 hereof;

(b) there shall be no default in the Note, this Deed of Trust or related Loan Documents; and

(c) satisfactory evidence of insurance and payment of premiums therefor and payment of real estate taxes is provided to Beneficiary within fifteen (15) days after a request by Beneficiary for such payment.

5.17 Prepayment. The Note provides that Trustor shall have the right to prepay the indebtedness evidenced by the Note, in full or in part without notice. Reference to the Note must be made for the full text of the provisions which are incorporated herein by this reference.

5.18 Loan Maturity. Unless the loan is accelerated under the terms of this Deed of Trust or the Note secured hereby, or unless Beneficiary shall otherwise agree in a writing signed by the Beneficiary, all amounts due under the Note secured by this Deed of Trust shall be, due and payable in full on June 1, 1992 (the "Maturity Date").

IN WITNESS WHEREOF, the undersigned has caused this instrument to be signed as of the date first above written.

TRUSTOR:

HARMSEN FAMILY LIMITED PARTNERSHIP,
a Utah limited partnership
By Its General Partner



Stephen M. Harmsen

H. H. LAND AND CATTLE COMPANY,
a Nevada corporation



By Stephen M. Harmsen, President

STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

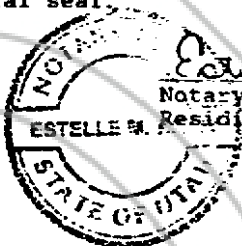
On the 1st day of June, 1987 personally appeared before me STEPHEN M. HARMSEN who did say that he is the General Partner of the HARMSEN FAMILY LIMITED PARTNERSHIP, a Utah limited partnership, and that the within and foregoing instrument was signed in behalf of said limited partnership and that said STEPHEN M. HARMSEN duly acknowledged to me that said HARMSEN FAMILY LIMITED PARTNERSHIP executed the same.

WITNESS my hand and official seal.

My commission expires:

January 3, 1988

STATE OF UTAH)
: SE
COUNTY OF Salt Lake)



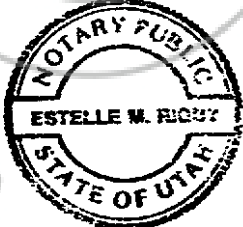
Estelle M. Rigby
Notary Public
Residing at: Beautiful, Utah

On the 1st day of June, 1987, personally appeared before me STEPHEN M. HARMSEN who did say that he is the President of H.H. LAND AND CATTLE COMPANY, a Nevada corporation, and that the within and foregoing instrument was signed in behalf of said corporation by authority of its board of directors and said Stephen M. Harmsen duly acknowledged to me that said corporation executed the same.

My Commission Expires:

January 3, 1988

060187-1/01.4/CEMISC



Estelle M. Rigby
Notary Public
Residing at: Beautiful, Utah

EXHIBIT A

Real property situate in the County of Lincoln, State of Nevada and more particularly described as follows:

The East Half ($E\frac{1}{2}$) of the Southeast Quarter ($SE\frac{1}{4}$) and the Southwest Quarter ($SW\frac{1}{4}$) of the Southeast Quarter ($SE\frac{1}{4}$) of Section 13, Township 4 South, Range 66 East, M.D.B. & M., and all that portion of the West Half ($W\frac{1}{2}$) of Section 18, Township 4 South, Range 67 East, M.D.B. & M., lying west of State Highway No. 55 and all that portion of the West Half ($W\frac{1}{2}$) of the Northwest Quarter ($NW\frac{1}{4}$) of Section 19, Township 4 South, Range 67 East, lying West of State Highway No. 55 and the East Half ($E\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$) and the Southeast Quarter ($SE\frac{1}{4}$) of the Southwest Quarter ($SW\frac{1}{4}$) of Section 24, Township 4 South, Range 66 East, M.D.B. & M., and that portion of the Southeast Quarter ($SE\frac{1}{4}$) of Section 24, Township 4 South, Range 66 East, M.D.B. & M., lying West of State Highway No. 55 and all that portion of the East Half ($E\frac{1}{2}$) of the Northwest Quarter ($NW\frac{1}{4}$) of Section 25, Township 4 South, Range 66 East, M.D.B. & M., lying west of the Union Pacific Railroad right of way.

Except the interest in the portion of said land conveyed to County of Lincoln, State of Nevada, by Deed recorded January 6, 1975 in Book "12" of Official Records at Page 441.

Excepting from the entire of the above described any and all rights of way heretofore granted by the Grantors herein or their predecessors in interest to the Union Pacific Railroad Co., and their predecessors in interest and to the State of Nevada for highway purposes, which said rights of way are on file and of record in the office of the County Recorder of said Lincoln County, Nevada.

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EXHIBIT "A"

MEADOW VALLEY LAND & CATTLE COMPANY
WATER RIGHTS

	<u>Name of Water</u>	<u>Identification</u>	
1	Indian Spring No. 1	Proof 01022	Cert. 61
2	Indian Spring No. 2	Proof 01022	Cert. 62
3	George Blythe Spring	Proof 01022	Cert. 57
4	Oak and Grassy Spring	Proof 01027	Cert. 5
5	Meadow Valley Creek	Proof 01284	
6	Robinson Seeps	Proof 01398	
7	Rabbit Spring	Proof 01549	
8	South Willow Spring	Proof 02321	
9	Nelson Well	Proof 02350	
10	Cliff Spring	Permit 780	Cert. 566
11	Cyclone & Redrock Spring	Permit 780	Cert. 566
12	Meadow Valley Creek	Permit 2873	Cert. 237
13	Cottonwood Spring	Permit 3270	Cert. 269
14	Bristol Lake Reservoir #1	Permit 3875	Cert. 724
15	Bristol Lake Reservoir	Permit 3876	Cert. 725
16	Bristol Lake Reservoir #2	Permit 3878	Cert. 726
17	Point of Rock Spring	Permit 3879	Cert. 1090
18	Delamar Flat Reservoir (also known as Mackie Reservoir)	Permit 4462 (Amended Cert. 3186)	Cert. 1759
19	Canyon Spring No. 2	Permit 4656	Cert. 732
20	Canyon Spring No. 1	Permit 4697	Cert. 733
21	Dana Spring	Permit 4972	Cert. 734
22	Point of Rock Reservoir	Permit 5316	Cert. 581
23	Theriot Reservoir (also known as Knoll Pond Reservoir and Watershed of Pahroc and Boulder Range)	Permit 5318	Cert. 582
24	West Side Spring	Permit 6094	Cert. 105(3)
25	Pace Spring (also known as Conaway Spring)	Permit 6095	Cert. 1054
26	Abandoned Spring	Permit 8921	Cert. 170(0)
27	Cliff Spring Reservoir	Permit 9618	Cert. 2107
28	Meadow Valley Wash	Permit 9935	Cert. 2483
29	Grassy Spring	Permit 10189	Cert. 2403
30	Seven Oaks Seep	Permit 10551	Cert. 259(5)
31	Mona Spring	Permit 10629	Cert. 259(6)
32	Buckboard Spring	Permit 10655	Cert. 261(1)
33	Willow Spring	Permit 10656	Cert. 26(12)
34	West Oak Spring	Permit 10747	Cert. 280(5)
35	Bishop Spring	Permit 10897	Cert. 2770
36	Horn Spring	Permit 11378	Cert. 404(7)
37	Tunnel Spring #1 (an undivided 1/4 interest)	Permit 12388	Cert. 4085
38	Underground Well	Permit 18910	Cert. 7014
39	Underground Well	Permit 28558	Cert. 9055
40	Underground Well	Permit 28559	Cert. 9056
41	Underground Well	Permit 28560	Cert. 9057
42	Underground Well	Permit 29338	Cert. 9059
43	Underground Well	Permit 31044	
44	Underground Well	Permit 31045	

EXHIBIT B

1. Taxes for 1987 and subsequent years.
2. Any portion of said lands within the lines of public roads as now established.
3. Existing rights in use or of record in favor of the public or third parties for highways, roads, railroads, pipelines, telephone, telegraph and electrical transmission lines, canals, laterals and drains.
4. Reservation and provision as might be contained in the Patents from the State of Nevada and/or United States of America recorded in the Official Records of Lincoln County, Nevada.
5. Easement for Railroad purposes including incidentals thereto over and upon said land.
6. Easement for highway purposes including incidentals thereto over and upon said land.

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FILED AND RECORDED AT THE OFFICE OF
First American Title Co.
March 11, 1988

A 50
P 79
BOOK 04 LINCOLN
COUNTY, NEVADA

FRANK C. HULSE

COUNTY RECORDER

By *W. J. Cordier* Deputy