

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
Investors Mortgage Corporation
8879 West Flamingo Road, Suite 101
Las Vegas, Nevada 89147



**DECLARATION OF AGENCY
AND LIMITED DURABLE POWER OF ATTORNEY**

The undersigned does hereby appoint Investors Mortgage Corporation my true and lawful attorney, to perform services related to the following loan in which I own a beneficial interest:

A loan to 2303 Investors, L.P. as Borrower (the "Borrower"), in the amount of \$5,500,000 (the "Loan"), as reflected in a promissory note, dated 11/13/2008 (the "Note"), and a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("Deed of Trust"), recorded as Book/Instrument No. _____ in the Official Records of San Diego County, State of California.

The services to be performed are described below:

a. to act as the undersigned's agent ("Agent"), to accept delivery of the Note and to hold same on behalf of the undersigned throughout the term of the Loan and to perform all applicable acts and duties set forth in the Note, the Deed of Trust, and the other documents executed and delivered in connection with the Loan (the "Loan Documents");

b. to ask, demand, sue for, recover, collect and receive each and every sum of money, debt, account and demand (which is now due or hereafter shall become due, owing and payable) belonging to or claimed in connection with the Loan, and to use and take any legal means for the recovery thereof by legal process or otherwise, and to execute and deliver a satisfaction or release therefore;

c. to sell, assign, and transfer all of the undersigned's interest in the Note and beneficiary interest in the Deed of Trust and other Security Documents upon payment to the undersigned of the entire amount then due, owing, and payable under the Note;



d. to institute, manage, resolve, execute, and deliver (as the case may be) any and/or all of the following in connection with the Loan: foreclosure and/or trustee's sale proceedings; subdivision or parcel maps; demands for payment or payoff; eviction proceedings; bankruptcy proceedings; litigation, arbitration, or any other dispute resolution proceedings; substitution of trustee agreements; covenants, conditions, and restrictions (CC&Rs); partial or full conveyances or reconveyances; escrow instructions; subordination documents, including intercreditor agreements; notices of default; breach and election to sell instruments; an extension or renewal of the loan for one twelve month period; and easement/right of way for utility services; and

e. to execute and deliver any and all agreements and instruments and take any and all actions deemed necessary or appropriate by Agent to protect and enforce the lien created by, and the right to the net proceeds from any sale or refinancing of the Property encumbered by, the assignment or deed of trust as set forth in the Loan Documents; and

This power of attorney shall not be effective to authorize any transaction that subordinates the priority of the recorded deed of trust that secures the Loan unless accompanied by a writing issued by the undersigned that consents to such subordination.

This power of attorney shall not be effective to authorize the use or release of money in which the undersigned owns a beneficial interest for any purpose except for the provision of services described above relating to the Loan described above unless accompanied by written authorization by the undersigned for the use or release of money for the other purpose.

This power of attorney is effective for the term of the Loan. This power of attorney may be extended only through the express written permission of the Lender for not more than one other loan. That written approval for extension must: (I) identify the loan for which the power of attorney was executed; and (II) identify the loan for which the written approval is being granted.

I give and grant to my said attorney full power to execute in my name contracts, escrow instructions, conveyances, mortgages, deeds of trust, and all other documents necessary to carry out the services described herein as fully to all intents and purposes as the undersigned might or could do if personally present, hereby ratifying and confirming all that my said attorney shall lawfully do, or cause to be done, by virtue of these presents. This power of attorney shall not be affected by the incapacity or death of the undersigned.

Approved by the Commissioner of the Mortgage Lending Division on March 15, 2004.

[Lenders Signatures Begin on the Following Page]



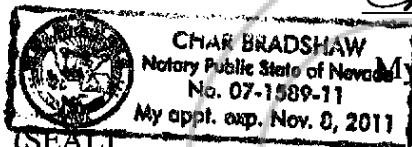
**N. Peter Horlacher Family Trust, N. Peter Horlacher
and Delores Horlacher, Trustees**

N. Peter Horlacher
N. Peter Horlacher, trustee

Delores Horlacher
Delores Horlacher, trustee

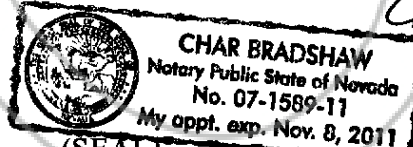
STATE OF NEVADA)
)
COUNTY OF CLARK)

This Declaration of Agency and Limited Durable Power of Attorney was
acknowledged before me this 13th day of Nov, 2008, by **N. Peter
Horlacher** as trustee of the **N. Peter Horlacher Family Trust**.

Char Bradshaw
NOTARY PUBLIC
Commission Expires: 11-8-11

(SEAL)

STATE OF NEVADA)
)
COUNTY OF CLARK)

This Declaration of Agency and Limited Durable Power of Attorney was
acknowledged before me this 13th day of Nov, 2008, by **Delores
Horlacher** as trustee of the **N. Peter Horlacher Family Trust**.

Char Bradshaw
NOTARY PUBLIC
My Commission Expires: 11-8-11

(SEAL)



CO-BENEFICIARY LOAN PARTICIPATION AGREEMENT

By this Co-Beneficiary Loan Participation Agreement (this "Agreement"), the undersigned parties (collectively the "Beneficiaries"), represent, covenant and agree as follows.

I.

Recitals

1.1 Loan. The Beneficiaries are the payee of a Promissory Note from 2303 Investors, L.P. (the "Borrower"), dated _____ (the "Note"), in the principal amount of \$5,500,000 (the "Loan"), which Promissory Note is secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing recorded as Book/Instrument No. _____ in the Official Records of San Diego County, State of California (the "Deed of Trust").

1.2 Participation Agreement. The Beneficiaries desire to clarify their intentions with respect to the servicing and management of the Loan and the actions to be taken in the event of a default, foreclosure or other matters relative to the Loan.

II.

Covenants

2.1 Collection and Servicing of the Loan. The Beneficiaries designate Investor's Mortgage Corporation, a Nevada Corporation (the "Mortgage Broker") to act on behalf of the Beneficiaries, and to service the Loan if servicing is not contracted to a servicing third party (the "Servicing Party"). The Mortgage Broker or the Servicing Party contracted to do so, shall set up monthly servicing and accounting, and provide prompt remittance to Beneficiaries of their respective shares of all payments of principal and interest and other amounts received on the Loan. Beneficiaries hereby assign to Mortgage Broker late fees and charges (excluding default interest) necessary for administrative expenses and costs incurred relative to late interest payments by the borrower.

2.2 Majority Decisions. The majority holders of 51 percent of the beneficial interests of record of the Loan (the "Majority Holders") shall be and are hereby authorized to act on behalf of all the holders of the beneficial interests of record in the event of a default, foreclosure, or other matters that require the direction or approval of the holders of the beneficial interests in the Loan, including, without limitation: (a) the designation of a mortgage broker, servicing agent or other person to act on the behalf of the holders of the beneficial interests in the loan; (b) the sale, encumbrance or lease of real property owned by the holders resulting from a foreclosure or the receipt of a deed in lieu of a foreclosure; and (c) an extension of the loan term.



2.3 Expenses. The Beneficiaries shall share all expenses relating to the Loan in proportion to their respective shares of the principal of the Loan. Such expenses shall include, but not be limited to, disbursements for the protection of the property collateralizing the loan (the "Property"), or disbursements relating to any foreclosure proceedings. Each Beneficiary shall pay its portion of the expenses within twenty (20) days of request therefore.

2.4 Defaults. In the event of a default under the Note or Deed of Trust, Mortgage Broker, directly or through Servicing Party will notify Beneficiaries of such default. Mortgage Broker, directly or through Servicing Party, shall, upon receipt of written demand from the Majority Holders, commence foreclosure proceedings under the Deed of Trust or take other necessary and reasonable actions and remedies as provided under the Deed of Trust. The individual Beneficiaries may not initiate the foreclosure proceedings by making demand therefore to the Trustee of the Deed of Trust or otherwise, or take any other action to recover under the Note, Deed of Trust, or Unconditional Guarantee unless approved by the Majority Holders. In the event the Loan is reinstated by the Borrower pursuant to the provisions of the Deed of Trust, by effect of law, or otherwise, the demand for foreclosure by the Beneficiaries to Mortgage Broker shall be automatically revoked and rescinded. Mortgage Broker, directly or through Servicing Party, is authorized and empowered in the name of and on behalf of the Beneficiaries, to make demand on the Trustee of the Deed of Trust to commence foreclosure proceedings in accordance with the terms of this Agreement.

2.5 Accounting. Mortgage Broker or the Servicing Party contracted to do so, shall at all times keep proper books of accounting records reflecting all disbursements on, and all expenses in connection with, the Loan and shall, upon reasonable request made by the Beneficiaries, from time to time, permit any Beneficiaries to examine and make copies of or extracts from all books, records or documents maintained in connection with the Loan.

2.6 Setoffs. If any Beneficiary shall, by enforcement of any right of setoff, obtain a payment on the Loan, such party receiving such payment shall share the same with the other Beneficiaries in proportion to each Beneficiary's shares of the Loan so that, following such setoff, the total outstanding indebtedness to the Beneficiaries shall be in the same proportions as existed immediately prior to the setoff.

2.7 Execution of Documents. Beneficiaries agree to execute any and all documents necessary to effect the terms and purposes of this Agreement.

2.8 Substitution of Trustee. The Majority Holders can, at any time substitute the Trustee under the Deed of Trust.

2.9 Acquisition of Property. In the event of the sale of the Property under the Deed of Trust, Mortgage Broker, directly or through Servicing Party, is authorized to bid at the sale, in the name of and on behalf of the Beneficiaries, up to the outstanding balance of the Loan and costs and expenses incurred in connection with the foreclosure proceeding, unless, prior to such sale, Mortgage Broker receives from the Majority Holders, written instructions prohibiting Mortgage Broker and/or Servicing Party from bidding or causing to



be bid such amount at the sale, in which case Mortgage Broker shall act in accordance with the instructions of the Majority Holders. In the event that the Property is acquired by the Beneficiaries at the sale, by an assignment of the Borrower's interest in the Property, or through other means, the Mortgage Broker will have the authority to sell, lease, manage or refinance the Property, and take all necessary and reasonable actions to preserve the Beneficiaries' interests in the Property relative to any senior lien or encumbrance. All costs associated with the management, maintenance, and preservation of the Property shall be paid by the Beneficiaries in proportion to their respective shares of the Loan.

2.10 Named Insured. Mortgage Broker is authorized to be an additional insured or additional loss payee, as agent and for the benefit of the Beneficiaries, under any policy of insurance to the Borrower as it relates to the Loan, and for any insurance coverage relating to the Property.

III

Miscellaneous

This Agreement contains the entire agreement between the Beneficiaries with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written. The waiver by any Beneficiary of any breach of any provision of this Agreement by another Beneficiary shall not operate or be construed as a waiver of any subsequent breach. This agreement shall inure to the benefit of, and shall be binding upon, the Beneficiaries and their respective successors and assigns. The invalidity of any part of this Agreement shall not render invalid the remainder of this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada. In the event it is necessary to take legal action to enforce any provision of this Agreement, the prevailing party in such action shall be entitled to the cost incurred in connection therewith, including reasonable attorney' fees.

Dated and effective this 13th day of April, 2008.

BENEFICIARIES:

[Beneficiary signatures begin on the following page.]



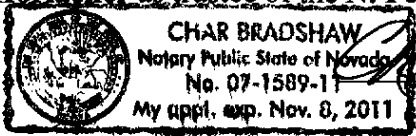
**N. Peter Horlacher Family Trust, N. Peter Horlacher
and Delores Horlacher, Trustees**

N. Peter Horlacher
N. Peter Horlacher, trustee

Delores Horlacher

STATE OF NEVADA)
)
COUNTY OF CLARK)

This Declaration of Agency and Limited Durable Power of Attorney was
acknowledged before me this 19th day of Nov, 2008, by N. Peter
Horlacher as trustee of the N. Peter Horlacher Family Trust.

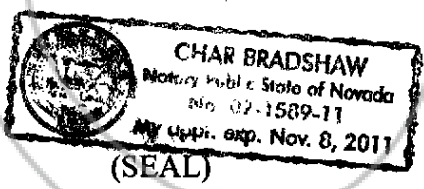


Char Bradshaw
NOTARY PUBLIC
My Commission Expires: 11-8-11

(SEAL) *Delores Horlacher*
Delores Horlacher, trustee

STATE OF NEVADA)
)
COUNTY OF CLARK)

This Declaration of Agency and Limited Durable Power of Attorney was
acknowledged before me this 13th day of Nov, 2008, by Delores
Horlacher as trustee of the N. Peter Horlacher Family Trust.



Char Bradshaw
NOTARY PUBLIC
My Commission Expires: _____