

# EXHIBIT A

NOTE

\$9,100,000.00

St. Cloud,  
Minnesota  
June 28, 2006

FOR VALUE RECEIVED, PFG REAL ESTATE SERVICES, LLC, a Delaware limited liability company ("Borrower"), hereby promises to pay to the order of MINNWEST BANK, M.V., a state banking corporation ("Lender", which term shall include any future holder hereof), at its principal banking office in St. Cloud, Minnesota, or at such other place as Lender may from time to time designate in writing, in lawful money of the United States of America, the principal sum of (i) \$9,100,000.00, or (ii) the aggregate unpaid principal amount of all amounts advanced by the Lender in accordance with the Loan Agreement, as defined below, and under the Lender's Irrevocable Letter of Credit No. 233 dated June 30, 2006 (the "Letter of Credit"), as shown in the records of Lender, whichever is less, plus interest thereon from the date of each advance, in the manner set forth below, until such amount is paid in full. The unpaid principal balance will bear interest at an annual rate equal to 8.5%. Interest shall be computed on the basis of actual days elapsed and a year of 360 days.

In the event an advance is made pursuant to the terms of the Letter of Credit, interest shall accrue on the amount so advanced from the date of such advance. Accrued interest only shall be paid monthly commencing on the 1<sup>st</sup> day of August 1, 2006, with payments of accrued interest on the unpaid principal balance being due and payable on the 1<sup>st</sup> day of each month thereafter until July 1, 2008 (the "Maturity Date"), at which time the total unpaid principal amount and all accrued but unpaid interest thereon shall be payable. **THIS NOTE REQUIRES A BALLOON PAYMENT.**

Borrower may prepay this Note in whole or in part at any time and, if in part, from time to time, during the entire term of this Note. No prepayment shall suspend any required monthly payments of accrued interest on this Note.

This Note is secured by a Deed of Trust on real property located in Summit County, Colorado and a personal guaranty, all of even date herewith (the "Security Documents"). This Note is the referred to in the Loan Agreement and Application for Irrevocable Letter of Credit of even date herewith between Borrower and Lender (the "Loan Agreement"), and is subject to the additional terms and conditions set forth in the Loan Agreement and the documents referred to therein.

After an Event of Default, as defined in the Loan Agreement, then the entire principal sum evidenced by this Note, together with all accrued and unpaid interest, shall, at the option of the holder hereof, bear interest at the rate per annum (the "Default Rate") equal to 3% in excess of the rate of interest per annum which would otherwise be payable hereunder, and become immediately due and payable without further notice (except as provided in the Loan of Credit Agreement), demand or presentment for payment, and without any relief whatever from any valuation or appraisal laws. Failure to exercise any option provided herein shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. Borrower agrees that if, and as often as, this Note is given to an attorney for collection or to defend or enforce any of Lender's rights hereunder, Borrower

COPY

will pay to the Lender Lender's reasonable attorneys' fees together with all court costs and other expenses paid by Lender.

Borrower waives presentment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Note and any lack of diligence or delays in collection or enforcement of this Note. Borrower agrees that this Note, or any payment hereunder, may be extended from time to time, and Borrower consents to the release of any party liable for the obligation evidenced by this Note, the release of any of the security for this Note, the acceptance of any other security therefore, or any other indulgence or forbearance whatsoever, all without notice to any party and without affecting the liability of Borrower.

THIS NOTE SHALL BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF MINNESOTA, WITHOUT GIVING EFFECT TO CONFLICT OF LAWS OR PRINCIPLES THEREOF, BUT GIVING EFFECT TO FEDERAL LAWS OF THE UNITED STATES APPLICABLE TO STATE BANKS. WHENEVER POSSIBLE, EACH PROVISION OF THIS NOTE AND ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO, SHALL BE INTERPRETED IN SUCH MANNER AS TO BE EFFECTIVE AND VALID UNDER SUCH APPLICABLE LAW, BUT, IF ANY PROVISION OF THIS NOTE OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO SHALL BE HELD TO BE PROHIBITED OR INVALID UNDER SUCH APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE ONLY TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISION OR THE REMAINING PROVISIONS OF THIS NOTE OR ANY OTHER STATEMENT, INSTRUMENT OR TRANSACTION CONTEMPLATED HEREBY OR RELATING HERETO.

AT THE OPTION OF LENDER, THIS NOTE MAY BE ENFORCED IN ANY FEDERAL COURT SITTING IN MINNEAPOLIS OR ST. PAUL, MINNESOTA OR ANY MINNESOTA STATE COURT; AND BORROWER CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT BORROWER COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS NOTE, LENDER AT ITS OPTION SHALL BE ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES ABOVE-DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

Borrower and Lender each irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or any of the Loan Documents (as defined in the Loan Agreement) or the transactions contemplated hereby or thereby.

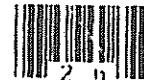
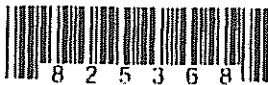
COPY

IN WITNESS WHEREOF, Borrower has executed this Note as of the date first above written.

PFG REAL ESTATE SERVICES, LLC

By:

Thomas J. [unclear]  
Its [unclear] Manager



Cheri Brunvand-Summit County Recorder 6/30/2006 16:31 DF

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

-- THIS DEED OF TRUST, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND LEASES ("Deed of Trust") is made as of the 28 day of June, 2006, between PFG REAL ESTATE SERVICES, LLC, a Delaware limited liability company (the "Grantor"), whose address is 4400 Baker Road, Minnetonka, Minnesota 55343, and the Public Trustee of the County of Summit, State of Colorado (the "Trustee").

**WITNESSETH:**

WHEREAS, this Deed of Trust is made by Grantor to secure and enforce the payment of the following note, obligations, indebtedness and liabilities: (a) a certain Note of even date herewith in the maximum principal amount of Nine Million One Hundred Thousand and No/100 Dollars (\$9,100,000.00) made by Grantor and payable to the order of MINNWEST BANK, M.V., a state banking corporation, at 3130 - 2<sup>nd</sup> St. So., St. Cloud, Minnesota 56301, Attn: Brian Samuelson, with accrued interest only payments, all as provided therein, being due and payable in full on July 1, 2008 (the "Maturity Date"), and all modifications, renewals or extensions thereof (the "Note") (said payee and all subsequent holders of the Note or any part thereof or any interest therein or in any of the Secured Indebtedness, as hereinafter defined, are hereinafter collectively called the "Beneficiary"); and (b) all obligations of this Deed of Trust, the Loan Agreement (herein so called) entered into by and between Grantor and Beneficiary dated of even date herewith, and any other instruments (collectively, the Loan Agreement and such other instruments shall be referred to as the "Loan Documents"), including, without limitation, the Environmental Indemnity Agreement, executed by Grantor in favor of Beneficiary now or hereafter evidencing or securing the above-described indebtedness or any part thereof (collectively the "Secured Indebtedness"). The terms and provisions of the Note are incorporated herein by this reference.

In order to secure payment of the Secured Indebtedness, Grantor does hereby grant, bargain, sell and convey unto the Trustee, in trust forever, WITH POWER OF SALE, that certain property situate in the County of Summit, State of Colorado, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (sometimes collectively hereinafter referred to as the "Mortgaged Property"); and

TOGETHER with all and singular the tenements, hereditaments, easements, rights of way and appurtenances thereunto belonging or in any wise appertaining, whether now owned or hereafter acquired by Grantor, and any and all rights of ingress and egress to and from adjoining property (whether such rights now exist or subsequently arise), together with the reversion or reversions, remainder or remainders, and rents, issues and profits thereof, and also the entire estate, right, title, interest, claim and demand whatsoever of Grantor of, in and to the same and of, in and to every part and parcel thereof; and

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STATE OF COLORADO  
COUNTY OF SUMMIT  
I hereby certify that the foregoing instrument was  
filed for record in the County of Summit, State of Colorado  
on June 30, 2006 at 11:34 AM  
P. 6-30-06  
625368  
By Cheri Brunvand Deputy

TOGETHER with all rights (whether vested or otherwise) obtained by Grantor in connection with the entitlement process for the development of the Property; and

TOGETHER with all buildings, structures, parking structures and improvements now or hereafter located on the Mortgaged Property (the "Improvements"), including any and all easements and rights of way used in connection therewith; and

TOGETHER with all right, title and interest of Grantor, if any, in all trees, shrubs, flowers and other landscaping features and all oil, gas, minerals, water, water rights, drains and drainage rights appurtenant to, located on, under or above or used in connection with the Mortgaged Property and the improvements situate thereon, or any part thereof, whether now existing or hereafter created or acquired; and

TOGETHER with all leases, rents, issues, royalties, bonus, income and profits, of each and every kind, now or hereafter relating to or arising from the Mortgaged Property and the improvements situate thereon; and

TOGETHER with all rights to the payment of money, accounts, accounts receivable, reserves, deferred payments, refunds of real property and personal property taxes and other refunds, cost savings, payments and deposits, whether now or later to be received from third parties (including all earnest money sales deposits) or deposited by Grantor with third parties (including all utility deposits), contract rights, development and use rights, rights under purchase and sale agreements, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, notes, drafts and letters of credit, which arise from or relate to completing the entitlement process, development or construction on the Mortgaged Property or to any business now or later to be conducted on it; and

TOGETHER with any and all awards or payments, including interest thereon, and the right to receive the same, as a result of the exercise of any right of eminent domain, other injury to, taking of or decrease in the value of, the Mortgaged Property and the improvements situate thereon; and

TOGETHER with all right, title and interest of Grantor, if any, in and to all streets and public rights of way in front of or adjoining the Mortgaged Property; and

TOGETHER with all other or greater rights and interests of every nature in the Mortgaged Property and Grantor's rights to the possession or use thereof and income therefrom, whether now owned or subsequently acquired by Grantor, but specifically excluding any tax credits which may now or hereafter be allocated to Grantor in respect to the Mortgaged Property and any Improvements located thereon.

All of the foregoing property, interests and rights are sometimes hereinafter collectively referred to as the "Mortgaged Property, Improvements and Rights."

In order to further secure the payment of the Secured Indebtedness and the performance of the obligations, covenants, agreements and undertakings of Grantor herein described, Grantor hereby

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grants, bargains, sells, transfers and conveys to the Beneficiary a security interest in all of the following owned by Grantor: all goods, equipment, furnishings, fixtures, furniture, chattels, materials both owned by Grantor and used or utilized in connection with the Mortgaged Property, and also covering Grantor's leasehold interest in any of the foregoing which are leased by Grantor, now or hereafter attached or affixed to or used in and about any building or buildings now erected or hereafter to be erected on the Mortgaged Property, or otherwise located on the Mortgaged Property, or used exclusively in connection with the Mortgaged Property or the improvements situate thereon and located, stored or maintained at any other location; and all fixtures, accessions and appurtenances thereto; and all renewals or replacements of or substitutions for any of the foregoing, including, but not limited to, all building materials and equipment now or hereafter delivered to the Mortgaged Property and intended to be installed thereon; all contracts to buy and sell relating to the Mortgaged Property or any portion thereof, and all earnest money deposits held by Grantor or its agents; all security deposits (subject to the rights, if any, of the tenants thereto) and future rentals under lease agreements now or at any time hereafter covering or affecting any of the Mortgaged Property or the improvements situate thereon and held by or for the benefit of Grantor; all monetary deposits which Grantor has been required to give to any public or private utility with respect to utility services furnished to the Mortgaged Property or the improvements situate thereon; all funds, accounts, instruments, accounts receivable, documents, general intangibles (including trademarks, trade names and symbols used in connection therewith) and notes or chattel paper arising from or by virtue of any transactions related to the Mortgaged Property or the improvements situate thereon; and all permits, licenses, franchises, certificates and other rights and privileges obtained in connection with the Mortgaged Property or the improvements situate thereon; and all guaranties and warranties relating to all improvements, equipment, furniture, furnishings, personal property and components of any of the foregoing located or installed on the Mortgaged Property (all of the property described in this paragraph is hereinafter collectively called the "Collateral"); and all proceeds of the Collateral. To the extent any of the Collateral may be or has been acquired with funds advanced to Grantor under the Note, this security interest shall be a purchase money security interest. (The Mortgaged Property, Improvements and Rights, and the Collateral are hereinafter sometimes collectively called the "Property.") It is specifically understood that the enumeration of any specific article of property shall in no way exclude any items of property not specifically mentioned;

AND, Grantor, for itself and its successors and assigns, represents and warrants that Grantor is now in a solvent condition; that no bankruptcy or insolvency proceedings are pending or contemplated by Grantor or, to Grantor's knowledge, against Grantor; that all written reports, certificates, affidavits, written statements and other data furnished by Grantor to the Beneficiary in connection with the loan evidenced by the Note are true and correct in all material respects; that Grantor is the lawful owner of good and marketable title to the Mortgaged Property, subject to the Permitted Exceptions, as hereinafter defined, and has good right and authority to grant, bargain, sell, convey, transfer, assign and mortgage the Mortgaged Property and to grant a security interest in the Collateral (Grantor hereby fully and absolutely waiving and releasing all rights and claims it may have in or to the Property as a Homestead Exemption or other exemption under any federal, state or local law now or hereafter in effect); that certificates have been or prior to occupancy will be issued as may be required or customary by any governmental authority having or claiming jurisdiction over the construction, use and operation of the shell of any building and, to the best of Grantor's knowledge, as to all occupied space evidencing compliance with all building permits, approval of full occupancy

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of the improvements situate on the Mortgaged Property and approval of all installations therein; that the Mortgaged Property is and shall remain free and clear of all liens, security interests, encumbrances and other title matters whatsoever, including, without limitation, mechanic's liens, materialmen's liens and liens for special assessments for work completed or under construction on the date hereof except the lien and security interest evidenced hereby and those title matters set forth on Exhibit B attached hereto and incorporated herein by this reference (the "Permitted Exceptions"); that, other than as to leased personal property, there are no financing statements covering the Collateral or its proceeds on file in any public office; that there are no outstanding conditional sales contracts, chattel mortgages or security agreements on the Property; that all materials, appliances, apparatus, machinery, furniture, furnishings, fixtures and equipment and other personal property normally required for the operation of the Property: (i) have been or prior to occupancy will be installed in the improvements on the Mortgaged Property, and (ii) are owned by Grantor, free and clear of any liens or charges, and have been paid for in full; that the execution and delivery of this Deed of Trust, the Note and all other instruments securing the payment of the Note do not contravene any law, order, decree, rule or regulation to which Grantor is subject; that, to the best of Grantor's knowledge, the Mortgaged Property and the intended use thereof by Grantor will fully comply with all applicable restrictive covenants, zoning ordinances, subdivision and building codes, flood disaster laws, applicable health and environmental laws and regulations and all other ordinances, orders or requirements issued by any state, federal or municipal authorities having or claiming jurisdiction over the Mortgaged Property; that there are no judicial or administrative actions, suits or proceedings pending or, to the best of Grantor's knowledge, threatened against or affecting Grantor or the Mortgaged Property; that upon construction of any Improvements the Property will be served by electric, gas, sewer, water, telephone and other utilities required for the use thereof as represented to the Beneficiary by Grantor and said utilities enter or will enter the Mortgaged Property from public streets or through valid easements superior to all liens on the real property covered by such easements; that the Mortgaged Property is free from due and unpaid water charges, sewer rents, taxes and assessments; that all public streets necessary to serve the Mortgaged Property for the use represented by Grantor will be completed and serviceable, will be dedicated and accepted for maintenance and public use by appropriate governmental entities and the Mortgaged Property has valid access thereto; all private streets providing access to the Mortgaged Property paved and paid for; that to Grantor's knowledge no part of the Mortgaged Property has been taken in condemnation or like proceeding nor is any such proceeding pending; that the Note, this Deed of Trust and all other instruments securing the payment of the Note constitute the legal, valid and binding obligations of Grantor and that Grantor will warrant and forever defend the title to the Mortgaged Property against the claims of all persons whomsoever claiming or to claim the same or any part thereof, subject to the Permitted Exceptions. (The foregoing warranty of title shall survive the foreclosure of this Deed of Trust and shall inure to the benefit of and be enforceable by any person who may acquire title to the Property pursuant to the foreclosure.)

The Maximum Principal Amount secured by this Deed of Trust shall be Nine Million One Hundred Thousand and No/100 Dollars (\$9,100,000.00) (representing the principal amount of the Note referenced above), together with interest, default interest, costs, fees, charges, expenses and any and all other costs and fees permitted by the laws of the State of Colorado.



AND, that for so long as the Secured Indebtedness or any part thereof remains unpaid, Grantor covenants and agrees for itself and its successors and assigns as follows:

## ARTICLE I

### COVENANTS

#### 1.1 General Covenants.

(a) Payment. Grantor will make prompt payment, as the same become due (subject to any applicable notice and cure periods), of all installments of principal and interest on the Note and of all the other Secured Indebtedness.

(b) Construction Work Relating to Improvements To Be Located on Mortgaged Property. Grantor covenants and agrees that the loan granted to Grantor by Beneficiary is a land acquisition loan and it is contemplated that separate construction financing will be obtained by Grantor in order to construct improvements on the Mortgaged Property; however, to the extent any construction occurs on the Mortgaged Property; such construction shall be completed only in accordance with plans and specifications delivered to and approved by Beneficiary, which approval shall not be unreasonably withheld. In addition, any construction of said improvements is will be in compliance with all governmental regulations and restrictions and with all zoning and building laws and ordinances of the county and municipality in which the Mortgaged Property is located, and with all building restrictions of record; Grantor will furnish satisfactory evidence to Beneficiary of such compliance. Upon default in the covenants in this Section 1.1(b), Beneficiary may (but need not):

- declare the principal indebtedness and interest thereon due and payable; and/or

- complete the construction, alteration, or remodeling of said improvements and enter into the necessary contracts therefore. All money so expended shall be so much additional indebtedness secured by this Deed of Trust, and any monies expended in excess of the Note shall be payable on demand with interest at the default rate specified in the Note.

(c) Loan Agreement. All advances and indebtedness arising and accruing under the Loan Agreement from time to time, whether or not the total amount thereof may exceed the face amount of the Note, shall be secured hereby to the same extent as though said Loan Agreement were fully incorporated in this Deed of Trust, and the occurrence of any event of default under said Loan Agreement shall constitute a default under this Deed of Trust, entitling Beneficiary to all the rights and remedies conferred upon Beneficiary by the terms of this Deed of Trust or by law as in the case of any other default.

(d) Maintenance of Property. Grantor will commit or permit no waste on the Property and will cause the Property to be constructed and constantly maintained and operated in a good and workmanlike manner and in accordance with all applicable laws and rules, regulations and

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orders promulgated by all duly constituted authorities. Grantor will not use or occupy, or allow the use or occupancy of, the Property in any manner which constitutes a public or private nuisance or which makes void, voidable or cancelable, or increases the premium of, any insurance then in force with respect thereto. Grantor will not initiate or, through any act or failure to act, acquiesce in any zoning reclassification of the Mortgaged Property or seek any variance under existing zoning ordinances applicable to the Mortgaged Property or use or permit the use of the Mortgaged Property in such a manner as would result in such use becoming a nonconforming use under applicable zoning ordinances or other applicable laws, rules or regulations. Grantor will allow the Beneficiary or its authorized representative to enter the Property at any reasonable time upon reasonable advance written notice to inspect the Property and Grantor's books and records pertaining thereto, and Grantor will assist the Beneficiary or said representative in whatever way reasonably necessary to make such inspection. If Grantor receives notice from any federal, state or other governmental entity that the Property or Grantor's employment and compensation practices with regard to the construction, operation and maintenance of the Property are not in compliance with any applicable law, rule, regulation or order, Grantor will promptly furnish a copy of such notice to the Beneficiary and promptly take appropriate action to secure compliance therewith.

(e) Debts. Grantor will cause all debts and liabilities of any character incurred in the construction, maintenance, operation and development of the Property to be promptly paid, including, without limitation, all debts and liabilities for labor, material and equipment and all debts and charges for utilities servicing the Property, except for those which Grantor contests in good faith and provides assurance reasonably deemed adequate by Beneficiary, in Beneficiary's sole discretion, to protect the interests of Beneficiary.

(f) Taxes. Grantor shall pay or cause to be paid prior to delinquency, except to the extent provision is actually made therefor as set forth hereinafter in this subparagraph (f) of this Paragraph 1.1, all taxes and assessments theretofore or hereafter levied or assessed against the Property, or any part thereof, or any other tax asserted as a substitute therefor and will furnish the Beneficiary with receipts showing payment of such taxes and assessments on or before the applicable due date therefor; except that Grantor may in good faith, by appropriate proceedings, contest and diligently pursue such contest, the validity, applicability or amount of any asserted tax or assessment and, pending such contest and any appeal therefrom, Grantor shall not be deemed in default hereunder if the Beneficiary reasonably determines that nonpayment of such tax or assessment will not result in the loss, forfeiture or diminution of the Property, or any part thereof, or any interest of the Beneficiary therein; and if prior to delinquency of the asserted tax or assessment, Grantor establishes an escrow reasonably acceptable to the Beneficiary adequate to cover the payment of such tax or assessment with interest, costs and penalties (which escrow shall be returned to Grantor upon payment of all such taxes, assessments, interest, costs and penalties), and if Grantor promptly causes to be paid any amount adjudged by a court of competent jurisdiction to be due, with all interest, costs and penalties thereon, promptly after such judgment becomes final and all appeals have been exhausted; provided, however, that in any event each such contest shall be concluded and the taxes, assessments, interests, costs and penalties shall be paid prior to the date any writ or order is issued under which the Property may be sold.

(g) Insurance. Grantor will, at its expense, maintain in force and effect, the following:

(i) Comprehensive general public liability insurance for personal injury, including, without limitation, bodily injury coverage in an amount not less than Two Million Dollars (\$2,000,000.00) per occurrence and in an amount not less than Two Million Dollars (\$2,000,000.00) in the aggregate, with property damage coverage of not less than the value of the Property.

(ii) If the Mortgaged Property is situated in an area now or subsequently designated as having special flood hazards, as defined by the Flood Disaster Protection Act of 1973, as amended from time to time, flood insurance in an amount equal to the replacement cost of the buildings and improvements or the maximum amount of flood insurance available, whichever is the lesser.

(iii) Such other insurance on the Property or any replacements or substitutions thereof, or additions thereto, and in such amounts as may from time to time be reasonably required by the Beneficiary, against other insurable hazards or casualties which at the time are commonly insured against in the case of property similarly situated, due regard being given to the height and type of buildings, their construction, location, use and occupancy, or any replacements or substitutions therefor or additions thereto.

All such insurance shall be subject to the reasonable approval of the Beneficiary as to insurance companies, amounts, content and forms of policies and expiration dates provided that Beneficiary shall not disapprove of any such insurance if it complies with this Section (g) and is issued by an insurance company rated XI, or higher, by Best's Insurance Rating Company and qualified to do business in Colorado, and doing business in Colorado.

Grantor further agrees that Grantor will deliver to the Beneficiary a certified copy of the policy thereof evidencing such insurance and any additional insurance which shall be taken out upon any part of the Property and receipts evidencing the payment of all premiums, and Grantor will deliver certificates evidencing renewals of all such policies of insurance to the Beneficiary thirty (30) days before any such insurance shall expire. If any risks insured are reinsured, the policies shall contain a so-called "cut through" endorsement. Upon the failure of Grantor to obtain and maintain in effect any or all of the foregoing insurance requirements and after notice from Beneficiary to Grantor and the passage of any applicable cure period without Grantor obtaining any such coverage, Beneficiary may procure such insurance, pay the premiums thereon and charge back to Grantor the cost thereof as provided herein. Without limiting the discretion of the Beneficiary with respect to required endorsements to insurance policies, Grantor further agrees that all such policies name Beneficiary as its interest may appear as loss payee pursuant and subject to a mortgagee clause (without contribution) of standard form attached to or otherwise made a part of the applicable policy. Grantor further agrees that all such insurance policies shall provide, if possible, for the payment of all costs and expenses incurred by the Beneficiary in the event of any contested claim and for at least ten (10) days' prior written notice to the Beneficiary prior to any amendment, modification, cancellation or termination. In the event of foreclosure of this Deed of Trust, or other transfer of title to the Property in extinguishment in whole or in part of the Secured Indebtedness, all right, title and interest of

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Grantor in and to such policies then in force concerning the Property and all proceeds payable thereunder shall thereupon vest in the purchaser at such foreclosure, or other transferee in the event of such other transfer of title. In the event any of the Property covered by such insurance is destroyed or damaged by fire, explosion, windstorm, hail or by any other casualty against which insurance shall have been required hereunder, the provisions of paragraphs (i) and (j) below shall govern.

In any event the unpaid portion of the Secured Indebtedness shall remain in full force and effect and Grantor shall not be excused in the payment thereof and any reduction in the indebtedness secured hereby resulting from the Beneficiary's application of any such payment will take effect only when the Beneficiary actually receives such payment. To the extent a portion of the principal amount of the Note is prepaid as a result of the application of insurance or condemnation proceeds, no prepayment premium shall be assessed on the amount of principal prepaid.

(h) Condemnation. Immediately upon obtaining knowledge of the institution of any proceedings for the condemnation of the Property or any portion thereof, or any other proceedings arising out of injury or damage to the Property, or any portion thereof, Grantor will notify the Beneficiary of the pendency of such proceedings and the time and place of all settings, hearings, trials or other proceedings relating thereto. The Beneficiary may participate in any such proceedings, and Grantor shall from time to time deliver to the Beneficiary all instruments required by it to permit such participation. Grantor shall, at its expense, diligently prosecute any such proceedings and shall consult with the Beneficiary, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings. All proceeds of condemnation awards or proceeds of sale in lieu of condemnation with respect to the Property and all judgments, decrees and awards for injury or damage to the Property shall be paid to the Beneficiary and shall be applied, first, to reimburse the Beneficiary or the Trustee for all costs and expenses, including reasonable attorneys' fees incurred in connection with collection of such proceeds, and, second, the remainder of the condemnation proceeds shall be applied by Beneficiary in payment of the Secured Indebtedness, either in whole or in part (without a premium or penalty), in the inverse order of maturity. Beneficiary shall send to Grantor a notice of the balance of the Secured Indebtedness remaining, if any, after the application of said funds. Grantor hereby assigns and transfers all such proceeds, judgments, decrees and awards to the Beneficiary and agrees to execute such further assignments of all such proceeds, judgments, decrees and awards as the Beneficiary may reasonably request. The Beneficiary is hereby authorized in the name of Grantor to execute and deliver valid acquittances for, and to appeal from, any such judgment, decree or award. The Beneficiary shall not be, in any event or circumstance, liable or responsible for failure to collect, or exercise diligence in the collection of, any such proceeds, judgments, decrees or awards; provided that in the event any portion of the Property is condemned and the proceeds are applied by Beneficiary to prepay the Secured Indebtedness, Grantor shall not be obligated to repair or rebuild the damaged portion of the Property. The application by Beneficiary of any proceeds of condemnation to repay the Secured Indebtedness shall not be considered a voluntary prepayment of the Note, and no prepayment premium or penalty will be charged.

(i) Liens. Except as provided in Paragraph 4.12 hereof, Grantor will not, without the prior written consent of the Beneficiary, permit to be created or placed, or through any act or failure to act, acquiesce in the placing of or allow to remain, any additional encumbrances or liens against or covering the Property, or any part thereof, regardless of whether the same are expressly or

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otherwise subordinate to the lien or security interest created in this Deed of Trust, or any interest of Grantor therein, including, without limitation, any mechanic's or materialmen's lien, whether voluntary, statutory, constitutional or contractual; except for the lien for ad valorem taxes on the Property which are not delinquent; except liens, if any, for special taxes or assessments imposed by governmental authority. In the event any such lien or encumbrance is placed of record Grantor will cause the same to be discharged and released or bonded over pursuant to Colorado law within thirty (30) days after notice thereof. Notwithstanding the foregoing to the contrary, Grantor may in good faith contest the validity of any such lien if it follows the procedures set forth in Paragraph 1.1(f) hereof with respect to such contest and/or bonds around or insures over such lien to the satisfaction of Beneficiary.

(j) Books and Records. Grantor will keep accurate books and records in accordance with accounting principles consistently applied in which full, true and correct entries shall be promptly made as to all operations on the Property, and, as often as reasonably requested by the Beneficiary (but no more frequently than monthly), Grantor will make reports of operations in such form as the Beneficiary prescribes, setting out full data as to the revenues from the Property.

(k) Financial Information. Upon reasonable request by Borrower from time to time, Grantor will cause to be delivered to the Beneficiary those financial statements set forth in Article VI of the Loan Agreement. Beneficiary shall have the right upon five (5) days' prior written notice to the Grantor to inspect and make copies of Grantor's books, records and income tax returns with respect to the Property for the purpose of verifying any such statements or supporting schedule. If any of the foregoing statements or schedules are not furnished to the Beneficiary within said period or are unsatisfactory based on the foregoing criteria, the Beneficiary shall have the right, but not the obligation, after notice and opportunity to cure by the Grantor, to obtain any such statement or schedules by means of an audit by an independent certified public accountant selected by the Beneficiary, in which event Grantor agrees to pay, or reimburse the Beneficiary for, any reasonable expense of said accountant and further agrees to provide all necessary information to such accountant and otherwise to cooperate in the making of such audit.

Within sixty (60) days after the end of each calendar year, Grantor shall cause to be delivered to Beneficiary (at its local office unless otherwise instructed) a certification by its Manager that all taxes and insurance payments with respect to the Mortgaged Property are current.

(l) Tax and Insurance Escrow. If at any time the Beneficiary so elects, the Grantor shall make monthly deposits with the Beneficiary on account of real estate taxes, assessments levied against the Property (but only during any period in which the Mortgaged Property is included on the property tax roll of Summit County, Colorado) and insurance premiums equal to one-twelfth (1/12) of such annual charges as estimated by the Beneficiary in order to accumulate with the Beneficiary sufficient funds to pay such taxes and assessments and a full year's insurance premiums thirty (30) days prior to their due date. Beneficiary shall not be obligated to pay interest to Grantor on any funds so deposited. As long as Grantor is not in default beyond any applicable cure periods under the terms of the Loan Documents and taxes and insurance are paid in a timely manner, Beneficiary waives this requirement; however, Beneficiary reserves the right to reinstate the

requirement at any time. Grantor shall furnish Beneficiary with copies of tax receipts and satisfactory evidence that all assessments and insurance premiums have been paid.

(m) Payment of Expenses. Grantor shall pay all expenses and reimburse the Beneficiary for any expenditures, including reasonable attorneys' fees and legal expenses incurred or extended in connection with: (i) the breach by Grantor of any covenant herein or in any other instrument securing the Secured Indebtedness, or (ii) the Beneficiary's exercise of any of its rights and remedies hereunder or under the Note or any other instrument securing the Secured Indebtedness, or (iii) the Beneficiary's protection of the Property and its lien and security interest therein. Grantor will indemnify and hold harmless the Trustee and the Beneficiary from and against, and reimburse them for, all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees) (collectively, "Claims") which may be imposed upon, asserted against or incurred or paid by them by reason of, on account of or in connection with, any bodily injury or death or property damage occurring in or on the Property, or asserted against them on account of any such act performed or omitted to be performed hereunder by Grantor, its employees, agents or contractors or on account of any transaction arising out of or in any way connected with the Property or with this Deed of Trust, the Note or any other instrument securing the Secured Indebtedness, save and except for the negligent or willful misconduct of Beneficiary or Trustee. Any amount for expenses to be paid hereunder by Grantor to the Beneficiary shall be a demand obligation owing by Grantor to the Beneficiary and shall be secured by this Deed of Trust, provided that Beneficiary shall first make payment of any expenses described in this paragraph from any policies of insurance covering said loss. In the event funds are to be received from said insurer, Grantor shall not be obligated to make any payment to Beneficiary pursuant to this paragraph. If said payment is not made within sixty (60) days of demand by Beneficiary, Grantor shall immediately pay over said amount to Beneficiary, and Beneficiary shall assign any and all rights it may have to said claim to Grantor for reimbursement of said amount paid.

(n) Proceeds. Grantor shall account fully and faithfully for and, subject to Section 4.14 of this Deed of Trust, if the Beneficiary so elects, shall promptly pay or turn over to the Beneficiary the proceeds in whatever form received from disposition in any manner of any of the Collateral, except as otherwise specifically authorized herein. Grantor shall at all times keep the Collateral and its proceeds separate and distinct from other property of Grantor and shall keep accurate and complete records of the Collateral and its proceeds.

(o) Permitted Exceptions. Grantor will comply with and will punctually perform all of the covenants, agreements and obligations imposed upon it or the Mortgaged Property under the Permitted Exceptions in accordance with the terms, provisions and conditions contained therein, including, without limitation, Grantor's obligation to pay all amounts secured, evidenced or required thereby. Grantor will not modify or permit any modification of any of the Permitted Exceptions without the prior written consent of the Beneficiary which shall not be unreasonably withheld.

(p) Performance by Beneficiary. Grantor agrees that, if Grantor fails to perform any act or to take any action which hereunder Grantor is required to perform or take, or to pay any money which hereunder Grantor is required to pay, and upon the expiration of any applicable notice and cure period, the Beneficiary, in Grantor's name or in its own name, may (but shall not be

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obligated to) without notice perform or cause to be performed such act or take such action or pay any money, and any expenses so incurred by the Beneficiary with respect to the operation of the Mortgaged Property and any money so paid by the Beneficiary shall be a demand obligation owing by Grantor to the Beneficiary, and the Beneficiary, upon making such payment, shall be subrogated to all of the rights of the person, corporation or body politic receiving such payment. Any amounts due and owing by Grantor to the Beneficiary pursuant to this Deed of Trust shall bear interest from the date such amount becomes due until paid at the Default Rate set forth in the Note and shall be a part of the Secured Indebtedness and shall be secured by this Deed of Trust and by any other instrument securing the Secured Indebtedness.

## ARTICLE II

### HAZARDOUS MATERIALS

2.1 Except as disclosed by the Phase One Environmental Site Assessment, dated June 1, 2006, and prepared by Hepworth-Pawlak Geotechnical, Inc., Project No. 406 0214, neither Grantor, nor to the best knowledge of Grantor after diligent inquiry, any previous owner, tenant, occupant, or user of the Property, has used, generated, released, discharged, stored or disposed of any hazardous waste, toxic substances or related materials ("Hazardous Materials") on, under, in or about the Property, or transported any Hazardous Materials to or from the Property. Grantor shall not cause or permit the presence, use, generation, release, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any Hazardous Materials to or from the Mortgaged Property, other than Hazardous Materials that are typically and customarily used in connection with the normal use, maintenance and operation of the Mortgaged Property as a development property and provided that such Hazardous Materials are used, stored transported and disposed in accordance with all applicable laws, rules and regulations. The term "Hazardous Materials" shall mean any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of Colorado, or the United States Government, including, but not limited to, any material or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq. (42 U.S.C. § 6903), or (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601, et seq. (42 U.S.C. § 9602).

2.2 Grantor will cause the Property and its intended use to comply with all applicable laws and governmental regulations including, without limitation, all applicable federal, state, and local laws pertaining to air and water quality, hazardous waste, underground storage tanks, above ground storage tanks, waste disposal and other environmental matters, including, but not limited to, the Clean Water, Clean Air, Federal Water Pollution Control, Solid Waste Disposal, Resource Conservation Recovery and Comprehensive Environmental Response Compensation and Liability Acts, the Colorado Underground Storage Tank Act and the rules, regulations and ordinances of the city and county in which the Property is located and applicable federal, state and local agencies and bureaus. Without limiting the generality of the foregoing, Grantor represents that to Grantor's best knowledge after diligent inquiry there are no underground storage tanks on the Property except as previously disclosed to Beneficiary. If additional underground storage tanks are later discovered upon the

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Property, Grantor shall immediately take the necessary steps to assure that said tanks are in full compliance with federal and state law and, if any underground storage tanks are not in compliance, Grantor shall immediately take all required action to bring such storage tanks into compliance.

2.3 Except if caused by the direct actions of Beneficiary, Grantor shall indemnify, defend and hold Beneficiary harmless from and against any claim, action, suit, proceedings, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage or expense (including, without limitation, reasonable attorneys' fees), (collectively "Claims") resulting from, arising out of, or based upon (i) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such material to or from, the Property, (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of Hazardous Materials, on, under, in or about, to or from, the Property, or (iii) the violation, or alleged violation of any law, regulation or ordinance relating to the presence, use or operation of any underground storage tank on the Property regardless of when the Claims were asserted if the facts and circumstances giving rise to said Claims occurred during the term of this Deed of Trust. This indemnity shall include, without limitation, (i) any damage (including consequential damages), liability, fine, penalty, punitive damage, cost or expense arising from or out of any claim, action, suit or proceeding for the personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, and (ii) damage to the natural resources or the environment, nuisance, pollution, contamination, leak, spill, release or other adverse effect on the environment, because of any necessary repair, cleanup or detoxification of the Property and in the preparation and implementation of any closure, remedial or any required plans. This indemnity shall survive the extinguishment of the lien by foreclosure or action in lieu thereof, and this covenant shall survive such extinguishment. Notwithstanding the foregoing, however, the indemnification provided by Grantor to Beneficiary hereunder shall not extend to any claims, demands, obligations or liabilities which arise from any Hazardous Materials that were first used, generated, released, discharged, stored, disposed of or transported to or from the Mortgaged Property after the date on which Beneficiary obtained fee simple title to the Mortgaged Property through foreclosure, deed in lieu of foreclosure, or otherwise.

### ARTICLE III

#### REMEDIES AND EVENTS OF DEFAULT

3.1 Events of Default. Subject to Section 3.2, the term "default" or "event of default" as used in this Deed of Trust shall mean the occurrence of any of the following events:

(a) The failure of Grantor to make due and punctual payment of the Note or of any other Secured Indebtedness or of any installment of principal thereof or interest thereon, or any other amount required to be paid under the Note, the Loan Agreement, this Deed of Trust or any other instrument securing the payment of the Secured Indebtedness and the passage of any grace period;



- (b) The failure of Grantor to timely and properly observe, keep or perform any material nonmonetary covenant, agreement, warranty or condition herein, in the Note, the Loan Agreement, this Deed of Trust or any of the other Loan Documents required to be observed, kept or performed and the passage of any grace period;
- (c) Any representation or warranty contained herein or in any other instrument securing the Note or otherwise made by Grantor in connection with the loan evidenced by the Note is materially false or misleading when made;
- (d) A default or event of default occurs (and any notice and cure period, if any, provided therein has expired) under any other instrument evidencing and/or securing the payment of the Secured Indebtedness or any part thereof;
- (e) Grantor or any guarantor of the Note shall make a transfer in fraud of creditors, or shall commit any act of bankruptcy or shall make an assignment for the benefit of creditors, or shall become unable to pay its debts as they become due;
- (f) A receiver or trustee is appointed for all or substantially all of the assets of Grantor or any guarantor of the Note or for any of the Property in any proceeding brought by Grantor or any guarantor of the Note, or any such receiver or trustee shall be appointed in any proceeding brought against Grantor or any guarantor of the Note and is not discharged within sixty (60) days after such appointment;
- (g) Grantor or any guarantor of the Note shall have an order for relief entered against it under any action or chapter of the Federal Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof now or hereafter existing, or any composition, rearrangement, extension, reorganization or other relief of debtors now or hereafter existing is requested or consented to by Grantor or any guarantor of the Note; provided, however, that in the event of an involuntary filing the Grantor or any guarantor of the Note shall have sixty (60) days to have the same dismissed;
- (h) The Property or any part thereof shall be taken on execution or other process of law (other than condemnation or eminent domain proceedings) in any action against Grantor;
- (i) Grantor abandons all or a portion of the Property;
- (j) So much of the Property is taken in condemnation, or sold in lieu of condemnation, or the Property is so diminished in value due to an injury or damage to the Property that the remainder thereof cannot, in the reasonable judgment of the Beneficiary, continue to be operated profitably for the purpose for which it was being used immediately prior to such taking, sale or diminution;
- (k) The Property, or any part thereof, is subjected to waste, removal or demolition, so that the value of the Property is diminished thereby and the Beneficiary is not adequately protected

from any loss, damage or risk associated therewith as determined in the exercise of its reasonable discretion.

(l) A claim of priority over this Deed of Trust is made by title, lien or otherwise other than the Permitted Exceptions (unless bonded over pursuant to Section 1.1(i) above); provided that Grantor may in good faith contest the validity of any such claim of priority if Grantor follows the procedures set forth in Paragraph 1.1(f) hereof with respect to such contest and/or bonds around such claim of priority to the satisfaction of Beneficiary;

(m) A default occurs pursuant to Paragraph 4.12 hereof or under any loans secured by liens encumbering the Mortgaged Property as permitted pursuant to Paragraph 4.12 hereof;

(n) A default or event of default under any documents or instruments evidencing or securing any lien or security interest on the Property and any curative period has expired and required notice has been given if any is required by said document; or

(o) The liquidation, termination or dissolution of the Grantor.

3.2 Cure of Defaults. Beneficiary shall give Grantor written notice and Grantor shall have ten (10) days after receipt of said notice in which to cure all monetary defaults. Beneficiary shall give Grantor written notice and Grantor shall have thirty (30) days after receipt of said notice in which to cure all non-monetary defaults; provided, however, that if such default cannot be reasonably cured in such thirty (30) day period using reasonable diligence and Grantor is using reasonable diligence in attempting to cure such default, Grantor shall be allowed additional time to cure such default, not to exceed ninety (90) days.

3.3 Acceleration. Upon the occurrence of a default, which is not cured during the applicable cure period, if any, the Beneficiary shall have the option of declaring all the Secured Indebtedness in its entirety to be immediately due and payable without notice to Grantor, and the liens and security interests evidenced hereby shall be subject to foreclosure in any manner provided for herein and as provided by law.

3.4 Management and Possession. Upon the occurrence of a default which is not cured during the applicable notice and cure period, if any, the Beneficiary is authorized, whether prior or subsequent to the institution of any foreclosure proceedings, to enter upon the Property, or any part thereof, and to take possession of the Property and of all books, records and accounts relating thereto and to exercise, without interference from Grantor, any and all rights to continue the entitlement process, plat, construct, manage, possess, operate, protect or preserve the Property, including the right to rent the same for the account of Grantor, and to deduct from such rents all costs, expenses and liabilities incurred by the Beneficiary in collecting such rents and in managing, operating, maintaining, protecting or preserving the Property and to apply the remainder of such rents on the indebtedness secured hereby in such manner as the Beneficiary may elect. All such costs, expenses and liabilities incurred by the Beneficiary, if not paid out of rents as hereinabove provided, shall constitute a demand obligation owing by Grantor and shall draw interest from the date of expenditure until paid at the Default Rate of interest set forth in the Note, all of which shall constitute a portion of

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the Secured Indebtedness. If necessary to obtain the possession provided for above, the Beneficiary may invoke any and all legal remedies to dispossess Grantor. In connection with any action taken by the Beneficiary pursuant to this paragraph, the Beneficiary shall not be liable for any loss sustained by Grantor resulting from any failure to lease the Property, or any part thereof, or from any other act or omission of the Beneficiary in managing the Property unless such loss is caused by the gross negligence, willful misconduct or bad faith of the Beneficiary, nor shall the Beneficiary be obligated to perform or discharge any obligation, duty or liability under any lease or tenancy agreement covering the Property (except the obligation to return security deposits in accordance with Colorado law, provided that Beneficiary has received such security deposits from Grantor) or any part thereof by reason of this instrument or the exercise of rights or remedies hereunder. Grantor shall, and does hereby agree to, indemnify the Beneficiary for, and to hold the Beneficiary harmless from, any and all liabilities, loss or damage which may or might be incurred by the Beneficiary under any such lease or tenancy agreement or under this Deed of Trust or the exercise of rights or remedies hereunder and from any and all claims and demands which may be asserted against the Beneficiary by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any such lease or tenancy agreement except for those arising out of the negligent or willful activities of Beneficiary. Should the Beneficiary incur any such liability, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby and shall be a demand obligation hereunder. Nothing in this paragraph shall impose any duty, obligation or responsibility upon the Beneficiary for the control, care, management or repair of the Property, or for the carrying out of any of the terms and conditions of any such lease or tenancy agreement; nor shall it operate to make the Beneficiary responsible or liable for any waste committed on the Property by the tenants or by any other parties or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger. Grantor hereby assents to, ratifies and confirms any and all actions of the Beneficiary with respect to the Property taken under this paragraph, except as to actions including gross negligence, willful misconduct, or bad faith.

3.5 Foreclosure as Deed of Trust. Upon the occurrence of a default hereunder, which is not cured during the applicable notice and cure period, if any, the Beneficiary may declare a violation of any of the covenants hereof and elect to advertise the Mortgaged Property, Improvements and Rights for sale and demand such sale. Then, upon filing notice of such election and demand for sale with the Trustee, the Trustee shall proceed to foreclose upon the Property as provided by applicable law. The Trustee shall provide public notice of such foreclosure sale as provided by applicable law. The Trustee shall sell and dispose of the Property, Improvements and Rights (en masse or in separate parcels, as the Beneficiary may think best) and all the right, title and interest of Grantor, and its successors and assigns therein, at public auction all in accordance with the provisions of Colorado Statutes. Such sale(s) shall be a perpetual bar, both in law and equity, against Grantor and its successors and assigns, and all other persons claiming the Mortgaged Property, Improvements and Rights or any part thereof by, through, from or under Grantor. The Beneficiary may purchase the Mortgaged Property, Improvements and Rights, or any part thereof, and may bid in any part or all of the indebtedness secured hereby.

Any costs incurred by Beneficiary or its attorney as a part of the cost of foreclosure in conjunction with Grantor's default hereunder shall be deemed allowable by the Trustee in a

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foreclosure action. Such allowable costs shall include, but not be limited to, appraisal fees, reasonable attorney fees and all costs incurred by Beneficiary or its attorney in conjunction with securing, preserving and maintaining the Property and any improvements contained thereon, such as, by way of example and not by way of limitation, costs incurred in conjunction with the appointment and/or institution of a receivership (whether or not a receiver be appointed).

3.6 Foreclosure as Mortgage. This instrument shall be effective as a mortgage as well as a deed of trust and, upon the occurrence of a default beyond any applicable cure periods, may be foreclosed, at the election of Beneficiary, as to any of the Property in any manner permitted by the laws of the State of Colorado.

3.7 Application of Proceeds. The proceeds of any sale in foreclosure of the liens evidenced hereby shall be applied:

FIRST, to the payment of all costs and expenses incident to such foreclosure sale, including, but not limited to, all reasonable attorneys' fees and court costs and charges of every character, and the statutory fee to the Trustee;

SECOND, to the payment in full of the Secured Indebtedness (including, specifically, without limitation, the principal, interest, late charges and attorneys' fees due and unpaid on the Note and the amounts due and unpaid and owed to the Beneficiary under this Deed of Trust) in such order as the Beneficiary may elect; and

THIRD, the remainder, if any, shall be paid in accordance with applicable statutory provisions or court order.

3.8 Receiver. In addition to all other remedies herein provided for, Grantor agrees that upon the occurrence of a default beyond any applicable notice and cure periods, the Beneficiary shall, as a matter of right, be entitled to an ex parte appointment of a receiver or receivers for all or any part of the Property without regard to the value of the Property or the solvency of any person or persons liable for the payment of the indebtedness secured hereby, and Grantor does hereby consent to the appointment of such receiver or receivers, waives any and all defenses to such appointment and agrees not to oppose any application therefor by the Beneficiary, but nothing herein is to be construed to deprive the Beneficiary of any other right, remedy or privilege it may now have under the law to have a receiver appointed; provided, however, that the appointment of such receiver, trustee or other appointee by virtue of any court order, statute or regulation shall not impair or in any manner prejudice the rights of the Beneficiary to receive payment of the rents and income. Any money advanced by the Beneficiary in connection with any such receivership shall be a demand obligation owing by Grantor to the Beneficiary and shall bear interest from the date of making such advancement by the Beneficiary until paid at the Default Rate provided in the Note and shall be a part of the Secured Indebtedness and shall be secured by this Deed of Trust and by every other instrument securing the Secured Indebtedness. The receiver or his agents shall be entitled to enter upon and take possession of any and all of the Property. The receiver, personally or through its agents or attorneys,

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may exclude Grantor and its agents, servants and employees wholly from the Property and have, hold, use, operate, manage and control the same and each and every part thereof, and keep insured, the properties, equipment and apparatus provided or required for use in connection with the business or business operated on the Property, and make all such necessary and proper repairs, renewals and replacements and all such useful alterations, additions, betterments and improvements as the receiver may deem judicious. Such receivership shall, at the option of the Beneficiary, continue until full payment of all sums, hereby secured, then due and payable or until title to the Property shall have passed by foreclosure sale under this Deed of Trust and the period of redemption, if any, shall have expired.

3.9 Uniform Commercial Code. Upon the occurrence of a default beyond any applicable notice and cure periods, the Beneficiary may exercise its rights of enforcement with respect to the Collateral under Article 9 of the Commercial Code of the State of Colorado, as amended.

3.10 Remedies Cumulative. All remedies herein expressly provided for are cumulative of any and all other remedies existing at law or in equity and are cumulative of any and all other remedies provided for in any other instrument securing the payment of the Secured Indebtedness, or any part thereof, or otherwise benefiting the Beneficiary, and the Trustee and the Beneficiary shall, in addition to the remedies herein provided, be entitled to avail themselves of all such other remedies as may now or hereafter exist at law or in equity for the collection of the Secured Indebtedness and the enforcement of the covenants herein and the foreclosure of the liens and security interests evidenced hereby, and the use of any remedy provided for hereunder or under any such other instrument or provided for by law shall not prevent the concurrent or subsequent use of any other appropriate remedy or remedies. Beneficiary shall be entitled to enforce the provisions of this Deed of Trust and to exercise its rights and remedies hereunder notwithstanding that some or all of the indebtedness hereby secured is now or shall hereafter be otherwise secured, whether by mortgage, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor the enforcement thereof shall prejudice or in any manner affect the right of Beneficiary to realize upon or enforce any other security now or hereafter held by Beneficiary, it being understood that the Beneficiary shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by it in such order and manner as it may in its sole discretion determine.

3.11 Election of Remedies. The Beneficiary may resort to any security given by this Deed of Trust or to any other security now existing or hereafter given to secure the payment of the Secured Indebtedness, in whole or in part, and in such portions and in such order as may seem best to the Beneficiary in its sole discretion.

3.12 Appraisal and Other Rights. To the full extent Grantor may do so, Grantor agrees that Grantor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, moratorium or extension, and Grantor, its representative, successors and assigns, hereby waive and release all rights of valuation, appraisal, notice of election or intention to mature or declare due the whole of the Secured Indebtedness and all rights to a marshaling of the assets of Grantor, including the Property, in the event of foreclosure of the liens and security interests hereby created, or classification of the Mortgaged Property as "agricultural real estate." Grantor shall not have or assert any right under any

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statute or rule of law pertaining to the marshaling of assets, the exemption of homestead, the administration of estates of decedents to defeat, reduce or affect the right of the Beneficiary under the terms of this Deed of Trust.

3.13 Tenancy of Grantor. In the event there is a foreclosure sale hereunder and at the time of such sale Grantor or its representatives, successors or assigns or any other persons claiming any interest in the Property by, through or under Grantor are occupying or using the Property, or any part thereof, each and all shall, after the issuance of a deed by the Public Trustee, and, at the option of the Beneficiary or the purchaser at such sale, as the case may be, immediately become the tenant of the Beneficiary or said purchaser and said tenancy shall be terminable at will by the Beneficiary or said purchaser. In the event any tenant fails to surrender possession of said Property upon the exercise of such option, the purchaser shall be entitled to institute and maintain an action for forcible entry and detainer.

3.14 Subrogation of Beneficiary. Beneficiary shall be subrogated to the liens of any mortgages or deeds of trust which encumbered the Property and which were paid in full or in part out of the proceeds of the Note secured hereby.

#### ARTICLE IV

#### MISCELLANEOUS

4.1 Beneficiary Rights. Without affecting the responsibility of Grantor for the performance of the covenants and agreements herein contained, and without affecting the lien of this Deed of Trust upon any of the Property, the Beneficiary may at any time and from time to time upon notice in writing: (a) waive compliance by Grantor with any covenant herein made by Grantor to the extent and in the manner specified in such writing; (b) consent to Grantor doing any act which hereunder Grantor is required to do, to the extent and in the manner specified in such writing; (c) release any part of the Property, or any interest therein, from the lien and security interest of this Deed of Trust; (d) release any party liable, either directly or indirectly, for the Secured Indebtedness or for any covenant herein or in any other instrument now or hereafter securing the payment of the Secured Indebtedness, without impairing or releasing the liability of any other party; (e) extend the time for payment of the Note or otherwise grant indulgences or modify the Note; or (f) subordinate the lien hereof. No such act shall in any way impair the rights of the Beneficiary hereunder except to the extent specifically agreed to by the Beneficiary in such writing.

4.2 Rights not Impaired. The lien, security interest and other security rights of the Beneficiary hereunder shall not be impaired by any indulgence, moratorium or release granted by the Beneficiary, including, but not limited to: (a) any renewal, extension or modification which the Beneficiary may grant with respect to any of the Secured Indebtedness; (b) any surrender, compromise, release, renewal, extension, exchange or substitution which the Beneficiary may grant in respect of the Property, or any part thereof or any interest therein; or (c) any release or indulgence granted to any endorser, guarantor or surety of any of the Secured Indebtedness.

4.3 Waiver. The Beneficiary may waive any default without waiving any other prior or subsequent default. The Beneficiary may remedy any default without waiving the default remedied. Neither the failure by the Beneficiary to exercise, nor the delay by the Beneficiary in exercising any right, power or remedy upon any default shall be construed as a waiver of such default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by the Beneficiary of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Grantor therefrom shall in any event be effective unless the same shall be in writing and signed by the Beneficiary, and then such waiver or consent shall be effective only in the specific instances, for the purpose for which given and to the extent therein specified. No notice to nor demand on Grantor in any case shall of itself entitle Grantor to any other or further notice or demand in the same circumstances. Acceptance by the Beneficiary of any payment in an amount less than the amount then due on any of the Secured Indebtedness shall be deemed an acceptance on account only and shall not in any way affect the existence of a default hereunder.

4.4 Successors in Interest. In the event the ownership of the Property or any part thereof becomes vested in a person or entity other than Grantor, the Beneficiary may, without notice to Grantor, deal with such successor or successors in interest with reference to this Deed of Trust and to the indebtedness secured hereby in the same manner as with Grantor, without in any way discharging Grantor's liability hereunder or for the payment of the indebtedness secured hereby. No sale of the Property, no forbearance on the part of the Beneficiary and no extension of the time for the payment of the indebtedness secured hereby given by the Beneficiary shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of Grantor hereunder or for the payment of the indebtedness secured hereby or the liability of any other person hereunder or for the payment of the indebtedness secured hereby, except as agreed to in writing by the Beneficiary.

4.5 Maximum Interest. Any provision contained herein, in the Note or in any other instrument evidencing, securing or otherwise relating to any of the Secured Indebtedness to the contrary notwithstanding, the Beneficiary shall not be entitled to receive or collect, nor shall Grantor be obligated to pay, interest on any of the Secured Indebtedness in excess of the maximum rate of interest permitted by applicable law, and if any provision herein, in the Note or in such other instrument shall ever be construed or held to permit the collection or to require the payment of any amount of interest in excess of that permitted by applicable law, the provisions of this paragraph shall control and shall override any contrary or inconsistent provision herein or in the Note or in such other document or instrument.

4.6 Notices. Any notice, request, demand or other communication required or permitted hereunder, or under the Note, or under any other instrument securing the payment of the Secured Indebtedness (unless otherwise expressly provided therein) shall be given in writing by delivering same in person to the intended addressee, by United States Mail, postage prepaid, registered or certified mail, return receipt requested, or by facsimile (provided that such facsimile is confirmed by mail in the manner previously described), or by nationally-recognized overnight delivery service sent to the intended addressee at the address shown on the first page of this Deed of Trust or to such different address as the addressee shall have designated by written notice sent in accordance herewith

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and actually received by the other party at least thirty (30) days in advance of the date upon which such change of address shall be effective. Notice shall be deemed received on the earlier of the actual receipt of a notice sent by facsimile, two (2) days after the date such notice is placed in the U.S. mails or one (1) day after the day delivered to the overnight delivery service.

4.7 Binding Effect. The terms, provisions, covenants and conditions hereof shall be binding upon Grantor and the heirs, representatives, successors and assigns of Grantor, including all heirs and successors in interest of Grantor in and to all or any part of the Property, and shall inure to the benefit of Grantor, the Trustee and the Beneficiary and their respective successors and assigns, substitutes and assigns and shall constitute covenants running with the land. All references in this Deed of Trust to Grantor, the Trustee or the Beneficiary shall be deemed to include all such representatives, successors, substitutes and assigns.

4.8 Invalidity. A determination that any provision of this Deed of Trust is unenforceable or invalid shall not affect the enforceability or validity of any remaining provision, and any determination that the application of any provision of this Deed of Trust to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

4.9 Redemption. In the event the Property or any part thereof shall be sold upon foreclosure as provided hereunder, the sum for which the same shall have been sold shall, for purposes of redemption (pursuant to section 38-38-301, et seq., C.R.S., or the corresponding provisions of any future law), bear interest at the Default Rate of interest provided in the Note from the date of sale until paid.

4.10 Governing Law. This Deed of Trust and the Note secured hereby shall be governed by and construed according to the laws of the State of Colorado at the date of execution.

4.11 UCC Security Agreement. This Deed of Trust shall serve as the filing of a UCC financing statement and shall cover all property now or hereafter annexed to or located upon the Mortgaged Property owned by Grantor which shall be deemed (1) fixtures and a part of the real property, (2) as-extracted collateral or timer to be cut, and (3) articles of personal property owned by the Grantor and used exclusively for the Mortgaged Property or to be incorporated into the Mortgaged Property, including, but not limited to, equipment, machinery and all materials and supplies delivered to the Mortgaged Property for incorporation or use in any construction, operation or maintenance being conducted thereon. To the extent any of such property covered by this Deed of Trust consists of rights in action or personal property covered by the Uniform Commercial Code, this Deed of Trust shall be self-operative with respect to such property; however, Grantor agrees to execute and deliver on demand such separate Security Agreement, and any other documents as Beneficiary may request in order to further perfect a lien upon any such property, and for any documents not requiring signature of the debtor, Grantor hereby grants to Beneficiary the right and authority to prepare and to file such UCC documents.

4.12 Transfer or Conveyance. For the purpose of protecting Beneficiary's security, keeping the Mortgaged Property free from subordinate financing liens and/or allowing Beneficiary to raise the

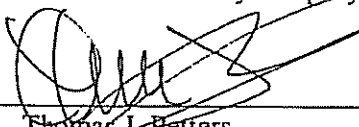
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interest rate and to collect assumption fees, Grantor agrees that any sale, conveyance, further encumbrance or other transfer of title to the Mortgaged Property or any interest therein (whether voluntarily or by operation of law) without the Beneficiary's prior written consent, (except as provided for herein), shall be an event of default hereunder. For purposes of, and without limiting the generality of the foregoing, the occurrence of any of the following events, without Beneficiary's prior written consent, shall be deemed to be an unpermitted transfer of title to the Mortgaged Property and therefore an event of default hereunder: (a) any sale, conveyance, assignment, or other transfer of, or the grant of an additional security interest (except as provided for herein) in, all or any part of the legal and/or equitable title to the Mortgaged Property; or (b) except for transfers made by Thomas J. Petters for estate planning purposes so long as, after such transfer, Thomas J. Petters directly or indirectly remains in control of Grantor, any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, any membership interest in Grantor. It is hereby acknowledged that a further encumbrance of the Mortgaged Property in favor of Beneficiary hereunder shall be deemed to be made with the Beneficiary's prior written consent and not in violation of this Section 4.12.

IN WITNESS WHEREOF, the Grantor has executed this instrument as of the date first set forth above.

**PFG REAL ESTATE SERVICES, LLC**  
a Delaware limited liability company

By:   
Thomas J. Petters,  
Its Chief Manager

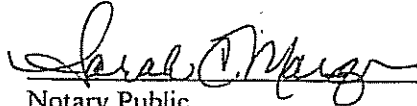
Minnesota  
STATE OF ~~COLORADO~~ )  
 ) ss.  
COUNTY OF Hennepin )

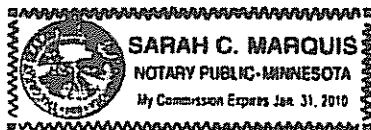
The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of June, 2006, by Thomas J. Petters, as Chief Manager of PFG Real Estate Services, LLC, a Delaware limited liability company.

WITNESS MY HAND AND OFFICIAL SEAL.

My Commission expires: 1/31/2010

[SEAL]

  
Notary Public



**EXHIBIT A**  
**(Legal Description)**

TRACT A, THE ALDERS SUBDIVISION, ACCORDING TO THE PLAT RECORDED MARCH  
26, 2003 UNDER RECEPTION NO. 713788, COUNTY OF SUMMIT, STATE OF COLORADO.

**EXHIBIT B**  
**(Permitted Exceptions)**

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EXHIBIT

Our Order No. M20052579-6

RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES AS RESERVED IN UNITED STATES PATENT RECORDED DECEMBER 19, 1986 UNDER RECEPTION NO. 329502.

NOTE: THE ABOVE PATENT WAS ISSUED SUBJECT TO THOSE RIGHTS FOR TUNNEL PURPOSES AS HAVE BEEN GRANTED TO THE BOARD OF WATER COMMISSIONERS, CITY AND COUNTY OF DENVER, ITS SUCCESSORS AND ASSIGNS, BY RIGHT OF WAY DENVER 039624 UNDER THE ACTS OF FEBRUARY 15, 1901 (31 STAT. 790), AS AMENDED BY THE ACT OF FEBRUARY 1, 1905 (33 STAT. 628; 16 U.S.C. 472) (50 FOOT RIGHT OF WAY FOR THE MOFFIT TUNNEL).

RIGHT OF THE PROPRIETOR OF A VEIN OR LODE TO EXTRACT AND REMOVE HIS ORE THEREFROM, SHOULD THE SAME BE FOUND TO PENETRATE OR INTERSECT THE PREMISES HEREBY GRANTED, AND A RIGHT OF WAY FOR DITCHES OR CANALS CONSTRUCTED BY THE AUTHORITY OF THE UNITED STATES, AS RESERVED IN UNITED STATES PATENT RECORDED JANUARY 24, 1992 UNDER RECEPTION NO. 416479.

TERMS, CONDITIONS AND PROVISIONS OF ORDER OF INCLUSION INTO THE SNAKE RIVER WATER DISTRICT RECORDED SEPTEMBER 17, 1985 UNDER RECEPTION NO. 303432.

TERMS, CONDITIONS AND PROVISIONS OF RESOLUTION 90-69 FOR RE-ZONING RECORDED NOVEMBER 14, 1990 UNDER RECEPTION NO. 395847.

TERMS, CONDITIONS AND PROVISIONS OF GRANT OF EASEMENT RECORDED July 13, 1987 AT RECEPTION NO. 339306.

TERMS, CONDITIONS AND PROVISIONS OF ORDER FOR INCLUSION INTO THE SNAKE RIVER WATER DISTRICT RECORDED April 24, 1995 AT RECEPTION NO. 489633.

TERMS, CONDITIONS AND PROVISIONS OF SUBDIVISION IMPROVEMENTS AGREEMENT RECORDED January 19, 1996 AT RECEPTION NO. 507864.

TERMS, CONDITIONS AND PROVISIONS OF RESOLUTION 99-40 RECOMMENDING BOARD OF COUNTY COMMISSIONERS APPROVE PLANNING CASE FOR PRELIMINARY PLAT RECORDED August 12, 1999 AT RECEPTION NO. 602586.

TERMS, CONDITIONS AND PROVISIONS OF APPROVAL OF PLANNING CASE 99-81 FOR A PRELIMINARY PLAT RECORDED August 30, 1999 AT RECEPTION NO. 604033.

EXHIBIT

Our Order No. M20052579-6

TERMS, CONDITIONS AND PROVISIONS OF RESOLUTION 99-89 APPROVING A FINAL PLAT FOR PLANNING CASE 99-81 RECORDED August 30, 1999 AT RECEPTION NO. 604034.

TERMS, CONDITIONS AND PROVISIONS OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE NEIGHBOURHOODS AT KEYSTONE RECORDED December 01, 1995 AT RECEPTION NO. 504399, AS AMENDED.

TERMS, CONDITIONS AND PROVISIONS OF KEYSTONE RESORT PLANNED UNIT DEVELOPMENT DESIGNATION RECORDED March 27, 2001 AT RECEPTION NO. 648453.

BASEMENTS AND DEDICATIONS AS SHOWN AND RESERVED ON THE RECORDED PLAT OF BASE I AT KEYSTONE RECORDED APRIL 22, 1994 UNDER RECEPTION NO. 466508.

EASEMENTS, NOTES AND DEDICATIONS AS SHOWN AND RESERVED ON THE RECORDED PLAT OF SETTLERS CREEK FILING NO. 3 RECORDED NOVEMBER 6, 2000 UNDER RECEPTION NO. 637473.

TERMS, CONDITIONS AND PROVISIONS OF RESOLUTION NO. 2002-72 APPROVING PLANNING CASE 02-016 RECORDED July 09, 2002 AT RECEPTION NO. 690151.

TERMS, CONDITIONS AND PROVISIONS OF SUBDIVISION IMPROVEMENTS AGREEMENT RECORDED January 28, 2003 AT RECEPTION NO. 709177.

NOTES, DEDICATIONS AND EASEMENTS SET FORTH ON THE PLAT FOR THE ALDERS SUBDIVISION RECORDED MARCH 25, 2003 UNDER RECEPTION NO. 713788.

TERMS, CONDITIONS AND PROVISIONS OF MAP RATIFICATION RECORDED November 17, 2004 AT RECEPTION NO. 774903.

TERMS, CONDITIONS AND PROVISIONS OF RESOLUTION 2005-4 APPROVING PRELIMINARY PLAT RECORDED February 04, 2005 AT RECEPTION NO. 782071.

TERMS, CONDITIONS AND PROVISIONS OF RESOLUTION 2005-10 APPROVING A FINAL PLAT RECORDED March 01, 2005 AT RECEPTION NO. 783799.