

NOTICE OF DEFAULT AND ELECTION TO SELL

NOTICE HEREBY IS GIVEN that default has been made in the performance of the obligations secured by that certain Deed of Trust dated October 21, 1971, executed by TORSTAN LTD., by STANDARD SYSTEMS INTERNATIONAL, INC., General Partner, to HOME TRUSTEE, INC., a Nevada corporation, as Trustee for HOME SAVINGS AND LOAN ASSOCIATION, a Nevada corporation, as Beneficiary, which Deed of Trust was recorded on the 27th day of October, 1971, in Book 92, at Page 577, as Document No. 55090, Official Records of Douglas County, Nevada. Said default consists in:

1. Failure to pay the sum of \$442,175.00 principal which is now due, owing and unpaid on the Promissory Note secured by said Deed of Trust,
2. Failure to pay the sum of \$23,600.51 interest which had accrued and was payable on or before August 31, 1972 on the aforesaid Promissory Note,
3. Failure to pay interest accrued on said Promissory Note from September 1, 1972 to the date hereof on the aforesaid principal sum of \$442,175.00 at the rate of eight percent (8%) per annum,
4. Failure to comply with the provisions of Paragraph 6 of the Express Trust Provisions Agreements and Conditions recorded August 2, 1967 as Document 37397 in Book 51 of Official Records in the Office of the County Recorder, Douglas County, Nevada, in that the money advanced by Beneficiary and secured hereby was for the purpose of constructing buildings and improvements on the property and Trustor has not completed such construction with due diligence and in accordance with plans and specifications and failure to resume work on the said construction after stoppage of more than 15 days.

The aforesaid deficiencies in performance and payment of the obligations secured by said Deed of Trust have not been made good.

NOTICE HEREBY FURTHER IS GIVEN of the election of Beneficiary to cause the property conveyed under said Deed of Trust to be sold to satisfy the obligations secured thereby and to satisfy all of the terms and conditions thereof.

The property which is to be sold under the power of sale contained in said Deed of Trust is all that certain real property in the County of Douglas, State of Nevada, described as follows:

Lots 4, 5, 6, 9, 12, 14, 15, 18, 19, 20, 21, 22, 25, 26, 28, 29, 30, 32, and 33, all in Block "B"; and Lots 2, 4, 5, 9, 11 and 13, all in Block "J" of GARDNERVILLE RANCHOS UNIT NO. 4, filed in the Office of the County Recorder of Douglas County, State of Nevada, on April 10, 1967.

TOGETHER WITH any and all of the property interests and rights which are subject to said Deed of Trust by reason of the inclusion in said Deed of Trust of the following paragraph, to-wit:

- "1. Conveyed Property. The property conveyed is the described real property and any and all

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of the following. Rights, water rights, pipes, ditches, rights of way, easements, profits, privileges, tenements, hereditaments and appurtenances, and stock that evidences any of them, that now or hereafter appertain or belong in any way, including by way of homestead claim or any other claim at law or equity, in or to the described real property. Titles or reversionary interests that are now held or hereafter acquired in or to all or any part of any street, road, highway or alley that now or hereafter is adjacent to or adjoins the described real property. Buildings and improvements, of every kind and description, that now or hereafter are erected or placed upon the described real property. Fixtures, furnishings and equipment, that now or hereafter are attached to or installed in or placed in or placed upon any such building or improvement, or are situated upon the described real property in connection with the use or occupancy of any such building or improvement or the described real property. Such fixtures, furnishings and equipment specifically include: apparatus, machinery, motors, elevators, escalators, fittings, doors, windows, signs, pylons, store fronts, screenings, awnings, shades, blinds, draperies, carpetings, floor coverings, furnaces, boilers, burners and heaters (whether gas, oil or electric), stoves, ovens, refrigerators, freezers, water softeners, hot water heaters, sinks, drains, drainboards, cabinets, ducts, flues, registers, vents, hoods, heating and cooling and air conditioning equipment, compressors, fans, ventilators, wiring, panels, lighting fixtures, lighting globes and tubes, inter-communication systems and equipment, time clocks, other electrical or electronic equipment, plumbing, plumbing fixtures and equipment, sprinklers, sprinkler and irrigation systems and equipment, and swimming and wading and ornamental pools and equipment. (All of such fixtures, furnishings and equipment are, and shall be: A permanent accession to the land contained in the described real property and to such building or improvement, and a part of the real property and leasehold estate conveyed by and under this Deed, whether or not any of such fixtures, furnishings and equipment is subject to a chattel mortgage of which Association is a mortgagee.) Architectural, structural, mechanical and engineering renderings, layouts, drawings, designs and specifications with respect to the above described property, or such building or improvement, or such fixture, furnishing and equipment."

IN WITNESS WHEREOF, Beneficiary has executed this notice

