

Deed of Trust

AND ASSIGNMENT OF RENTS

This 24th day of February, 1981, AUBREY W. LUMMUS and

BEUNOLA R. LUMMUS, husband and wife, as Joint Tenants--
Name(s) Address (es)
P. O. Box 667
Gardnerville, Nevada 89410--

_____, the Trustor (here-
in Borrower), hereby irrevocably grants, bargains and sells to SILVER STATE TITLE COMPANY

the Trustee, in trust with power of sale, for the

SECURITY NATIONAL BANK OF NEVADA

Douglas County Office Minden, Nevada, the Beneficiary

(herein Lender), the real property in Douglas County, Nevada, described as Follows:

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND SITUATE IN THE COUNTY OF DOUGLAS, STATE OF NEVADA, DESCRIBED AS FOLLOWS:

Lot 171, as shown on the Map of Gardnerville Ranchos Unit No. 2, filed in the office of the County Recorder of Douglas County, Nevada, on June 1, 1965, as Document No. 28309 and on June 4, 1965, as Document No. 28377.

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Together with all the improvements on the Property, and all easements, appurtenances, rents (subject to the rights and authorities given herein to Lender to collect and apply the rents), royalties, mineral, oil and gas rights and profits, geothermal rights, water, water rights, and water stock, homestead, and all personal property now or hereafter attached to the Property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property (or the leasehold estate in the event this Deed of Trust is on a leasehold) are herein referred to as the "Property".

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by Borrower's Note of even date (herein "Note") in the principal sum of ELEVEN THOUSAND, EIGHT HUNDRED NINETY-SIX AND 08/100----- (\$ 11,896.08) with interest thereon, and all extensions, renewals or modifications and the payment of all other sums with interest thereon advanced for the same purpose as the purpose of the original loan represented by the Note or for the improvement or protection of the Property, and the performance of the covenants and agreements of Borrower; and (b) the repayment of any future advance with interest thereon made to Borrower by Lender pursuant to Paragraph 11, provided the notes representing those advances indicate that they are secured by this Deed of Trust; (c) all other sums owed by Trustor to Beneficiary, provided the Note evidencing the obligation is indorsed with a statement that it is secured by this Deed of Trust.

COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, late charges as provided in the Note, and the principal of and interest on any future advances or other or additional debt secured by this Deed of Trust.

2. Funds For Taxes and Insurance. Upon Lender's written request, Borrower shall pay to Lender on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, the sum (herein "Funds") equal to one twelfth of the yearly taxes and assessments which may attain priority over this Deed of Trust, hazard insurance premiums and ground rent if this Deed of Trust is on a leasehold, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Lender shall not be required to pay Borrower any interest on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds, and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust, and will be applied by Lender to pay taxes, assessments, hazard insurance and ground rents.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due date of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay taxes, assessments, insurance premiums and ground rents as they fall due, the excess shall be, at Borrower's option, either repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender is not sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due Borrower shall pay to Lender the amount necessary to make up the deficiency within 30 days after notice from Lender to Borrower requesting payment.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Funds held by Lender.

If the Property is sold at a foreclosure sale, or is acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust. Until Lender requests deposits as permitted by this paragraph, Borrower shall pay all taxes, assessments, hazard insurance premiums, or ground rents, as they become due.

3. Hazard Insurance. Borrower, at its expense, shall maintain with insurers approved by Lender: (a) insurance with respect to improvements against loss or damage by fire included under "extended coverage" policies, and any other hazard Lender requires, in an amount approved from time to time by Lender, with a replacement cost indorsement without depreciation; (b) at Lender's option public liability and property damage insurance applicable to the Property in amounts approved from time to time by Lender, with an indorsement naming Lender as an additional insured as its interest may appear; (c) at Lender's option, rental value insurance in amounts adequate to cover the payments required by Paragraphs 1 and 2 for six months. All insurance maintained by Borrower shall; (i) except for liability insurance, contain a standard noncontributory mortgagee's indorsement in favor of Lender; (ii) provide that, except in the case of public liability insurance, insurance proceeds shall be payable to Lender, and in the case of hazard insurance, pursuant to the Nevada Standard Mortgagee Clause No. 438BFUNS or other mortgagee clause; (iii) provide that any losses shall be payable notwithstanding any act or failure to act or negligence of Lender or Borrower or any other person; (iv) provide that no cancellation, reduction in amount or material change in coverage thereof shall be effective until at least 30 days after receipt by Lender and Borrower of written notice thereof, and (v) contain only such deductibles, if any, as Lender may approve in writing, and be reasonably satisfactory to Lender in all other respects. Any insurance may, at Borrower's option, be provided through a blanket policy or policies. Upon the execution of this Deed of Trust and thereafter not less than 30 days prior to the expiration date of any policy provided for herein, Borrower will deliver to the Lender the original of any policy or renewal policy required by this Deed of Trust, bearing notations evidencing the payment of premiums, except that, in lieu of any such policy, Borrower may with Lender's consent deliver a certificate of the insurer, satisfactory to Lender in substance and in form, as to the issuance and effectiveness of such policy and the amount of coverage afforded thereby accompanied by a certified copy of such policy. Delivery of the policy of insurance shall constitute assignment to Lender of any returned premiums.

4. Preservation and Maintenance of Property. Borrower shall keep the Property in good repair and shall not permit or commit waste, impairment, or deterioration of the Property or remove, demolish or materially alter any building or other property subject to the Deed of Trust. If the Property includes commercially cultivated land, including ranch land, Borrower will follow the best course of husbandry practiced in the vicinity.

5. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender at Lender's option, may make any appearances, disburse any sums and take any action necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. Any amounts disbursed by Lender pursuant to this paragraph, with interest thereon at 12% per annum, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, the amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement.

6. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any inspection.

7. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for any conveyance in lieu of condemnation, are hereby assigned, and shall be paid, to Lender.

If the Property is abandoned by Borrower or if after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days of the date of the notice, Lender is authorized to collect the proceeds. The amount paid to Lender may be applied by Lender upon any indebtedness secured hereby in such order as Lender may determine, or at the option of Lender the entire amount, or any part, may be applied to repair or restoration of the Property or released to Borrower. The application or release shall not cure or waive any default or notice of default or invalidate any act done pursuant to a notice of default.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the installments referred to in Paragraphs 1 and 2 hereof or change the amount of the installments.

8. Events of Default. Borrower shall be in default under this Deed of Trust if any one or more of the following events occur: (a) Borrower fails to pay any installments of principal or interest due on the Note or any other indebtedness secured by this Deed of Trust when it becomes due; (b) Borrower fails to perform or comply with any of the terms hereof or of the Note; (c) Borrower fails to perform or comply with any of the terms of any other instrument securing the debt secured hereby; (d) Borrower or any guarantor makes an assignment for the benefit of creditors or admits in writing its inability to pay its debts as they become due or files a petition in bankruptcy or is adjudicated a bankrupt or insolvent, or files a petition seeking a reorganization, arrangement, composition, adjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation, or fails to file an answer or to seasonably contest the material allegations of a petition filed against it in any such proceeding, or seeks to consent or acquiesce in the appointment of any trustee, receiver or liquidator of a part of its properties; (e) If, within sixty (60) days after the commencement of any proceeding against Borrower or guarantor seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation, such proceeding is not dismissed, or if within sixty (60) days after the appointment without the consent or acquiescence of Borrower or guarantor, of any trustee, receiver or liquidator of any material part of its properties, the appointment shall not have been vacated.

Acceptance of a late or partial payment shall not constitute a waiver of default, and no waiver of any delay or default shall constitute a waiver of any other or future delay or default.

9. Acceleration; Remedies. Upon default as defined herein, Lender may (a) declare all sums secured immediately due and payable without demand or notice, or (b) have a receiver appointed as a matter of right without regard to the sufficiency of the Property or any other security or guaranty and without any showing as required by N.R.S. 107.100. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

10. Assignment of Rents; Lender in Possession. As an additional security, Borrower hereby assigns to Lender the lessor's interest in any lease of the Property and the rents and profits of the Property, provided that Borrower shall prior to Default or abandonment of the Property, have the right to collect and retain the rents as they become due and payable. Borrower will not collect or accept any payment of rental under any lease for more than one month in advance and will duly observe and perform each of its obligations under each lease. The assignment contained herein shall not be deemed to impose upon Lender any obligation of Borrower under any lease or any obligation to collect any rent.

Upon default or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to (a) collect the rents and profits without taking possession of the Property, or (b) to enter upon, take possession of and manage the Property and to collect the rents and profits of the Property, including those past due. All rents and profits collected by Lender or the receiver shall be applied first to payment of the costs of the management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

11. Future Advances. Upon request of Borrower, Lender, at Lender's option prior to full reconveyance of the Property by Trustee to Borrower, may make future advances to Borrower. Future advances, with interest thereon, shall be secured by this Deed of Trust, provided the notes so indicate.

12. Damage or Destruction; Application of Insurance. In case of any damage to or destruction of the Property, the amount paid to Lender under any fire or other insurance policy, may be applied by Lender upon any indebtedness secured hereby in such order as Lender may determine, or at the option of Lender, the entire amount or any part, may be applied to repair or restoration of the Property or released to Borrower. The application or release shall not cure or waive any default or notice of default, or invalidate any act done pursuant to Notice of Default.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the installments referred to in Paragraph 1 and 2 hereof, or change the amount of the installments.

13. Limitation on Transfer. In the event the Property or any part thereof, or any interest therein, is sold, agreed to be sold, conveyed, or alienated by the Borrower or by the operation of law, or otherwise, all obligations secured by this Deed of Trust, irrespective of the maturity dates expressed therein, at the option of the Lender, and without demand or notice, shall immediately become due and payable. Failure to exercise the option or consent to a transfer shall not constitute waiver of the right to exercise this option in the event of a subsequent sale, assignment or transfer. In the event of a sale, assignment or transfer, Borrower waives all suretyship defenses, including the right to compel suit against the principal debtor.

14. Default Prepayment. If this Deed of Trust or any note secured hereby provides for payment of any additional consideration for prepayment of any indebtedness secured hereby, Borrower agrees to pay that sum, if any, if the indebtedness shall be paid prior to the due date thereof, whether payment is voluntary or involuntary, and notwithstanding the Borrower is in Default, and that Lender, by reason thereof, has declared all sums secured hereby immediately due and payable.

15. Statutory Covenants. Covenants No. 1, 3, 4(interest 12%), 5, 6, 7(counsel fees 5%), 8 and 9 of N.R.S. 107.030 are hereby adopted and made a part of this Deed of Trust.

16. Order of Application of Securities. If the indebtedness secured hereby is now or hereafter secured by assignment of leases, security agreements, contracts of guaranty or suretyship, or other additional securities, Lender may, at its option, exhaust any one or more of the securities as well as the security hereunder either concurrently or independently and in such order as it may determine, and may apply the proceeds upon the indebtedness secured hereby without affecting the status of or waiving the right to exhaust all or any other security including the security hereunder, and without waiving any breach or default or any right or power whether exercised hereunder or contained herein or in any such other security.

17. Lender's Right To Deal With Collateral. Without affecting the liability of any person, including Borrower, for the payment of any indebtedness secured hereby, or the lien of this Deed of Trust on the Property for the full amount of any indebtedness unpaid, (other than any person or property specifically released by Lender) Lender and Trustee are respectively empowered as follows: Lender may, without notice do any one or more of the following: (a) release any person liable for the payment of any of the indebtedness; (b) extend the time or otherwise alter the terms of payment of any of the indebtedness; (c) accept additional security therefor of any kind, including deeds of trust or mortgages; (d) alter, substitute or release any property securing the indebtedness; Trustee may, without liability therefor and without notice, upon written request of Lender and presentation of this Deed of Trust and the Note for indorsement: (1) consent to the making of any map or plat of the Property; (2) join in granting any easement or creating any restriction thereon; (3) join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof; (4) reconvey, without any warranty, any part of the property.

18. Fee For Permitting Assumption. Lender or Lender's agent may charge a fee of \$ n/a as an assumption fee for a change in the party or parties making the payments secured by this Deed of Trust, if Lender agrees to a transfer by Borrower of its interest in the Property to another person. **No assumptions allowed.**

19. Successors and Assigns Bound; Joint And Several Liability; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

