

Recording requested by:  
Valerie Cooke Skau, Esq.  
and when recorded mail to:

✓ Name: Valerie Cooke Skau, Esq.  
Address: McDONALD, CARANO, et al  
City & P. O. Box 2670  
State/Zip Reno, Nevada 89505

\*\*\*\*\*  
SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST**

THIS DEED OF TRUST, made November 9, 1993, between the ESTATE OF JOSEPH F. ARROYO, through the executrix, DOLORES C. ARROYO, trustor, whose address is 4947 Lakeridge Terrace Lane, Reno, Nevada, FIRST AMERICAN TITLE COMPANY OF NEVADA, a Nevada corporation, trustee, and the FEDERAL DEPOSIT INSURANCE CORPORATION, as Managing Agent of the FSLIC Resolution Fund, as Successor to the Federal Savings and Loan Insurance Corporation, Acting in its Corporate Capacity, beneficiary,

**W I T N E S S E T H :**

On February 6, 1991, a judgment was entered in favor of the FEDERAL DEPOSIT INSURANCE CORPORATION, as Managing Agent of the FSLIC Resolution Fund, as Successor to the Federal Savings and Loan Insurance Corporation, acting in its Corporate Capacity ("FDIC") and JOSEPH F. ARROYO in the case entitled, "Federal Deposit Insurance Corporation, as Manager of the FSLIC Resolution Fund, plaintiff, v. Berthe Mastelotto, as the personal representative of the Estate of James P. Mastelotto, and Joseph F. Arroyo, defendants," pending in the United States District Court for the Northern District of Texas, Lubbock Division, Case Number CA5-89-

327059

BK0194PG1205

058-C consolidated with Case Number CA5-89-070-C; and

On January 29, 1991, JOSEPH F. ARROYO executed a deed of trust for the benefit of the FDIC on real property located in Douglas County, Nevada, Document No. 244804, recorded in the Official Records of Douglas County, Nevada in Book 291 at page 1393, as security for the payment of \$2,583,000.00 in lawful money of the United States of America, according to the terms of a Settlement Agreement entered into between Trustor and Beneficiary on or about January 29, 1991, which agreement was in settlement of the above-entitled case; and

That deed of trust granted the FDIC all the estate, right, title, and interest, homestead and other claim or demand in law as well as in equity, which JOSEPH D. ARROYO had or hereafter acquired on the real property more fully described on Exhibit "A" to the January 29, 1991 deed of trust between JOSEPH F. ARROYO and the FDIC, Document No. 244804; and

The estate of JOSEPH F. ARROYO was subsequently granted all right, title and interest in all minerals, oil, gas, and other hydrocarbons now or at any time hereafter situate therein and thereunder, and which may be produced therefrom together with a free and unlimited right to mine, drill, bore, operate and remove said minerals from beneath the surface of said land at any level below the surface of the land described as Exhibit A to the deed of trust dated January 29, 1991 between JOSEPH F. ARROYO and the FDIC, Document No. 244804; and

The trustor and beneficiary agree that this deed of trust

supplements the deed of trust dated January 29, 1991 between JOSEPH F. ARROYO and the FDIC, Document No. 244804, recorded in the Official Records of Douglas County, Nevada in Book 291 at page 1393, and it is not intended as a substitution or relinquishment of any rights of the FDIC as beneficiary to the deed of trust dated January 29, 1991, Document No. 244804;

WITNESSETH that trustor grants to trustee, with power of sale, that real property in the County of Douglas, State of Nevada, described as

all minerals, oil, gas and other hydrocarbons now or at any time hereafter situate therein and thereunder and which may be produced therefrom together with the free and unlimited right to mine, drill, bore, operate and remove said minerals from beneath the surface of said land at any level the surface of the following described land:

See Exhibit "A" attached hereto and made a part hereof.

Together with all singular tenements, hereditaments and appurtenances thereunto belonging or anywise appertaining, and the rents, issues and profits thereof, and also all the estate, right, title and interest, homestead or other claim or demand, in law as well as in equity, which Trustor now has or may hereafter acquire on, in or to said premises or any part thereof, with the appurtenances.

For the purpose of securing (1) payment of the balance owing in sum of \$2,583,000.00, according to the terms of the Settlement Agreement entered into between Trustor and Beneficiary on or about January 29, 1991 and (2) the performance of each agreement of

**Trustor incorporated herein by reference or contained herein.**

**TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:**

**(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.**

**(2) Trustor covenants to keep all buildings that may now or at any time be on said property during the continuance of this trust in good repair and insured against loss by fire, with extended coverage endorsement, in a company or companies authorized to issue such insurance in the State of Nevada, and as may be approved by Beneficiary, for such sum or sums as shall equal the total indebtedness secured by this Deed of Trust and all obligations having priority over this Deed of Trust and shall be payable to Beneficiary to the amount of the unsatisfied obligation to Beneficiary hereby secured, and to deliver the policy to Beneficiary, or to collection agent of Beneficiary, and in default thereof, Beneficiary may procure such insurance and/or make such**

repairs, and expend for either of such purposes such sum or sums as Beneficiary shall deem proper.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

(4) To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock, water rights and grazing privileges; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto, and all costs, fees and expenses of this trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor, and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof; Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears

to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at ten percent per annum.

(6) At Beneficiary's option, Trustor will pay a "late charge" not exceeding four percent (4%) of any installment when paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured thereby.

**IT IS MUTUALLY AGREED:**

(1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such monies received by him or her in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

(3) That at any time or from time to time, without liability

therefor and without notice, upon written request of Beneficiary and presentation of this deed, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose, and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any

security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured thereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice of default and of election to cause to be sold said property which notice Trustee shall cause to be recorded. Beneficiary also shall deposit with Trustee of this Deed of Trust, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law for the sale of real property under writ of execution, Trustee, without demand on Trustor, shall sell said property or any part thereof at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at



public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone sale of all or any portion of said property by public announcement. In the event that any indebtedness secured hereby shall not have been fully satisfied by said sale, Trustee may give notice of sale of any property not previously noticed for sale in the manner set forth above and sell the same in the manner set forth above.

Trustee shall deliver to any purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee, including a reasonable fee for the attorney of Trustee, and of this trust, including cost evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at ten percent per annum; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) That Beneficiary, or its assignees, may from time to time, by instrument in writing, substitute a successor or

successors to any Trustee named herein or acting hereunder, which instrument, executed and acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where, or document or file number under which, this Deed of Trust is recorded, and the name and address of the new Trustee. If notice of default shall have been recorded, this power of substitution cannot be exercised until after the costs, fees and expenses of the then acting Trustee shall have been paid to such Trustee, who shall endorse receipt thereof upon such instrument of substitution. The procedure herein provided for substitution of Trustee shall be exclusive of all other provisions for substitution, statutory or otherwise.

(8) The following covenants: Nos. 1, 3, 4, (interest 10%) 5, 6, 8 and 9 of Nevada Revised Statutes 107.030, when not inconsistent with other covenants and provisions herein contained, are hereby adopted and made a part of this Deed of Trust.

(9) The rights and remedies hereby granted shall not exclude any other rights or remedies granted by law, and all rights and remedies granted hereunder or permitted by law shall be concurrent and cumulative. A violation of any of the covenants herein expressly set forth shall have the same effect as the violation of

any covenant herein adopted by reference.

(10) It is expressly agreed that the trust created hereby is irrevocable by Trustor.

(11) That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(12) That Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(13) Trustor agrees to pay any deficiency arising from any cause after application of the proceeds of the sale held in accordance with the provisions of the covenants hereinabove adopted by reference.

The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to her at her address hereinbefore set forth in accordance with N.R.S. 107.080.

Dated: 12/22/93

TRUSTOR:

ESTATE OF JOSEPH F. ARROYO

By Dolores C. Arroyo  
DOLORES C. ARROYO, Executrix  
of the ESTATE OF JOSEPH F. ARROYO

STATE OF NEVADA )  
                          ) ss.  
COUNTY OF WASHOE )

On this 22<sup>nd</sup> day of December 1993, before me, the undersigned, a Notary Public, in and for said County and State, personally appeared DOLORES C. ARROYO, as Executrix of the ESTATE OF JOSEPH F. ARROYO, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same.

Teresa W. Stovak  
Notary Public



**EXHIBIT "A"**

That portion of Sections 28 and 29, Township 14 North, Range 20 East, M.D.B. & M., in the County of Douglas, State of Nevada being more particularly described as follows:

Beginning at the Southeasterly corner of said Section 29; thence Westerly along the Southerly line of said Section 29, N. 89°24'38" W., 1301.30 feet; thence N. 00°04'48" E., 1332.06 feet; thence S. 89°58'33" W., 1315.00 feet; thence N. 00°04'48" E., 1317.98 feet; thence S. 89°21'44" W., 30.06 feet; thence N. 44°39'38" E., 1888.11 feet; thence N. 00°10'19" E., 1328.26 feet to a point on the Northerly line of said Section 29; thence Easterly along said Northerly line, N. 89°07'24" E., 1323.30 feet to the Northeast corner of said Section 29; thence Easterly along the Northerly line of said Section 28, S. 89°58'04" E., 2652.18 feet to the North 1/4 corner of said Section 28; thence Southerly along the centerline of said Section, S. 00°09'10" W., 2651.43 feet to the center 1/4 corner of said Section 28; thence S. 00°09'21" W., 1350.55 to the Northeast corner of Cochran Estates Unit I, as said subdivision was recorded in Book 82, page 294 as Document No. 50690, Official Records of the County of Douglas, State of Nevada, thence Westerly along the Northerly line of said Cochran Estates Unit I, S. 89°54'38" W., 2651.40 feet to the Northwest corner of said Cochran Estates Unit I; thence Southerly along the Westerly line of said Cochran Estates Unit I, S. 00°04'48" W., 1346.00 feet to the POINT OF BEGINNING.

A.P.N.        21-290-13 (a portion)  
              21-290-12  
              21-290-04  
              21-290-22  
              21-290-05  
              21-290-43  
              21-070-03  
              21-070-04

REQUESTED BY  
*McDonald Caravattals*  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

94 JUN -7 NO:33

327059

BK 0194 PG 1217

SUZANNE BEAUDREAU  
RECORDER  
19<sup>00</sup> PAIU *[Signature]* DEPUTY