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LONG FORM DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST, made this 10 day of May, 1996 between LONNIE D. MASON, a married man as his sole and separate property, herein called TRUSTOR, and whose address is 421 HANSEN LANE, * an STEWART TITLE OF DOUGLAS COUNTY, a Nevada corporation, herein called TRUSTEE, and JANICE HANSEN SORENSON, formerly known as JANICE HANSEN SMITH, Successor Trustee of the HELEN M. CLARK TRUST dated March 11, 1987, as amended by Agreement dated December 17, 1990, and a further second Amended Agreement dated November 24, 1992, herein called BENEFICIARY, WITNESSETH: That Trustor irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, that property in Douglas County, Nevada, described as:

*GARDNERVILLE, NV 89410

SEE EXHIBIT C attached hereto and made a part hereof by reference.

Together with the rents, issues and profits thereof, subject, however to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

For the purpose of securing (1) payment of the sum of \$210,000.00 with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and all extensions or renewals thereof, and (2) the performance of each agreement of Trustor incorporated herein by reference or contained herein; (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or to his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

A. 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; nor 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

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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 so to do 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 reasonable fees.

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

B. 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 moneys received by him 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 his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to 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 said note for endorsement, 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 his 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 hereby, 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 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 such sale by public announcement at the time fixed by the preceding postponement. 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 per

cent 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 his assignee, 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, 2, 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 him at his address hereinbefore set forth.

TRUSTOR


LONNIE D. MASON

STATE OF NEVADA)
) ss.
County of Douglas)

On May 10, 1996, personally appeared before me, a Notary Public, Lonnie D. Mason, personally known or proved to me to be the person whose name is subscribed to the above instrument and who acknowledged that he executed the instrument.



Jeanne M. Newman
Notary Public

WHEN RECORDED MAIL TO:

JANICE HANSEN SORENSON
1415 FOOTHILL ROAD
GARDNERVILLE, NV 89410

COPIES

" EXHIBIT C "

DESCRIPTION

Adjusted A.P.N. 19-070-14

All that real property situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land located within a portion of the South one-half (S½) of Section 34, and a portion of the Southwest one-quarter (SW¼) of Section 35, Township 13 North, Range 19 East, Mount Diablo Meridian, more particularly described as follows:

BEGINNING at the southeast corner of Section 34, a U.S.G.L.O. brass cap as shown on the Map of Division Into Large Parcels for Helen M. Clark Trust recorded April 20, 1993 in Douglas County Recorder's Office as Document No. 305160;

thence along the south line of said Section 34, West, 1079.33 feet to the southwest corner of Parcel 4 per said map;

thence North 06°10'09" West, 727.42 feet;

thence North 86°33'25" East, 189.17 feet;

thence North 19°39'38" East, 179.41 feet;

thence North 74°29'08" East, 297.50 feet;

thence North 61°16'17" East, 88.15 feet;

thence North 17°37'38" West, 88.57 feet;

thence North 23°57'23" East, 111.70 feet;

thence North 63°46'26" West, 120.69 feet;

thence North 60°01'37" West, 119.06 feet to the northwest corner of said Parcel 4;

thence South 89°52'22" East, 732.81 feet to a 5/8" rebar, no tag;

thence South 89°54'10" East, 343.82 feet to the northeast corner of said Parcel 4;

thence South 00°02'51" East, 1323.05 feet to a point on the south line of Section 35 per said map, the southeast corner of said Parcel 4;

thence along said south line North 89°55'05" West, 340.50 feet to the POINT OF BEGINNING,

The Basis of Bearing for this description is -- WEST -- the south line of Section 34, Township 13 North, Range 19 East, Mount Diablo Meridian as shown on the Map of Division Into Large Parcels for the Estate of Duane Myron Allerman recorded in Douglas County Recorder's Office as Document No. 128304.

Together with a non-exclusive Private Access Easement traversing the South 50 feet of Parcels 1, 2, 3 and 4, and continuing in an east-west direction to a terminus point in Parcel 7, as shown on Land Map for HELEN M. CLARK TRUST recorded April 20, 1993 in Book 493, Page 3812 as Document No. 305160, Official Records of Douglas County, Nevada.

Together with and subject to that Cross Deeds of Private Equestrian Easement as recorded 5-13-96 1996, in Book 596, Page 2128, Document No. 387652, Official Records of Douglas County, Nevada.

Together with water rights appurtenant to Parcel 4 described as follows:

A portion of Proof of Appropriation Nos. 06369 & 06370, on file in the Office of the State Engineer, from Mott Canyon Creek for irrigation, domestic and stock watering purposes being 9.98 irrigated acres within the SE1/4SE1/4 of Section 34, Township 13 North, Range 19 East, Mount Diablo Meridian.

Together with a portion of Claim No. 652 as set forth in the Final Decree of Case No. D-183 BRT, United States of America vs. Alpine Land & Reservoir Company, being 28.37 irrigated acres within the SE1/4SE1/4 of Section 34 and 10.39 irrigated acres within the SW1/4SW1/4 of Section 35, all within Township 13 North, Range 19 East, Mount Diablo Meridian.

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COPY

REQUESTED BY
STEWART TITLE of DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

'96 MAY 13 AM 10:10

LINDA SLATER
RECORDER

\$13⁰⁰ PAID *K2* DEPUTY

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