

A. P. No. 1420-33-312-026
Escrow no.: 2420258-SC

When recorded mail to:
EVERGREEN Note Servicing
6121 Lakeside DR. #150
RENO, NV. 89511



PERFORMANCE DEED OF TRUST

This Performance Deed of Trust ("Security Instrument") is made this 7th day of May, 2012 by DOLORES DIANE SCOTT and RICHARD M. SCOTT, wife and husband as joint tenants with right of survivorship ("Trustor"), to FIRST AMERICAN TITLE INSURANCE CORPORATION, a California Corporation ("Trustee"), for the benefit of JILL KRATZ, Trustee of the JILL KRATZ LIVING TRUST, Dated January 29, 2002 ("Beneficiary").

1. INVESTMENT AGREEMENT. This Security Instrument is executed and made in connection with that certain Agreement ("Agreement") by and between Trustor and Beneficiary, dated the same date as this Security Instrument, pursuant to which Beneficiary invested in the Property (described below) and Trustor, among other things, granted to Beneficiary the right to acquire the Property at the end of the Investment Term in accordance with the provisions of the Agreement and this Security Instrument. A copy of the Agreement is attached hereto as Exhibit "A" and is incorporated herein by reference. Capitalized terms used herein that are not otherwise defined shall have the meaning ascribed to such terms in the Agreement.

2. CONVEYANCE. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the performance and obligations of Trustor and the rights of Beneficiary pursuant to the Agreement, Trustor irrevocably grants, conveys, transfers and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and conveyance, all of Trustor's right, title and interest now owned or later acquired in the following described property:

LOT 209 AS SET FORTH ON THE FINAL MAP OF WILDHORSE UNIT NO. 6, A PLANNED UNIT DEVELOPMENT FILED IN THE OFFICE OF THE COUNTY RECORDER OF DOUGLAS COUNTY, STATE OF NEVADA, ON MARCH 15, 1994 IN BOOK 394, AT PAGE 2741, AS DOCUMENT NO. 332336.

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such property is located in Douglas County at 2651 Pasture Way, Minden, Nevada 89423;

together with all rights, easements, appurtenances, royalties, rents, issues, profits, mineral rights, oil and gas rights, all water and riparian rights, ditches, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real property described above (all of which hereinafter referred to as the "Property").

3. WARRANTY OF TITLE. Trustor warrants that Trustor is the lawful owner of the Property free and clear of any other lien, claim, or encumbrance asserted by a third party (except those duly recorded and reflected in the title search result received by Beneficiary in connection with this Security Instrument) and will maintain and preserve the lien created by this Security Instrument. Further, Trustor warrants that Trustor has the right to irrevocably grant, convey, transfer and assign the Property to Trustee, in trust, with the power of sale and conveyance, for the benefit of Beneficiary.

4. ACQUISITION OF PROPERTY. Pursuant to and in accordance with the terms of the Agreement and this Security Instrument, Beneficiary may acquire the Property at the end of the Investment Term. Should Beneficiary elect to acquire the Property at the end of the Investment Term, Beneficiary shall pay Trustor the Fair Market Value of the Property, minus Beneficiary's share of the Property's appreciation, as well as any other costs, charges or other amounts owed to Beneficiary under the Agreement and any amounts paid by Beneficiary to satisfy liens or other encumbrances on the Property. Upon payment to Trustor of the amount required under the Agreement, Trustee shall transfer, convey, and assign to Beneficiary all right, title, and interest in the Property held by Trustee under this Security Instrument.

5. INVESTMENT TERM. The Investment Term shall begin when Beneficiary sends to Trustor the Investment Fee and end upon the earlier to occur of: (i) the date Beneficiary is informed of the death of the last surviving Qualified Homeowner, Homeowner, or Beneficiary and/or Trustor (as those terms are defined in the Agreement), as applicable; or (ii) any time at Beneficiary's election within twelve (12) months after Beneficiary learns of a Breach to the Agreement.

6. PERFORMANCE DEED OF TRUST COVENANTS. Trustor covenants and agrees during the Investment Term and the existence of this Security Instrument: (i) to maintain the Property in the same condition it is in on the date this Security Instrument is signed, except for normal wear and tear; (ii) to keep the property free from any liens or encumbrances arising after the date of this Security Instrument, unless Beneficiary has given prior written permission to do so; (iii) to obtain and maintain property insurance on the Property at all times that will cover the cost of replacement of the Property plus improvements; (iv) if the Property is located in a flood hazard area, to purchase and maintain flood insurance that will cover the cost of replacement of the Property plus



improvements or the maximum amount required by applicable law, whichever is less; (v) to name Beneficiary as an additional insured and/or loss payee on all required insurance policies; (vi) to pay all utilities, taxes, assessments, maintenance, home owner dues, and other costs associated with keeping the Property free from any liens or encumbrances and in the same condition it is in on the date this Security Instrument is signed, except for normal wear and tear; (vii) not to abandon the Property; (viii) not to default on any mortgage or other debt obligation concerning or secured by the Property without curing such default within the time permitted under the mortgage or debt obligation; (ix) not to allow the Property to fall into or become subject to a foreclosure or other action by a secured party or lienholder; (x) to take whatever action Beneficiary reasonably requests to make certain this Security Instrument is properly perfected against the Property and remains effective throughout the Investment Term; (xi) to maintain Trustor's ownership interest in the Property throughout the term of the Investment at the same amount or level as it is when this Security Instrument is signed, unless Beneficiary has provided prior written consent otherwise; (xii) to give Beneficiary prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means; and (xiii) to notify Beneficiary if Trustor fails or is unable to satisfy the obligations described in this Security Instrument.

Trustor agrees that the covenants in this Section 6 are material obligations under the Agreement and this Security Instrument. If Trustor breaches any covenant in this Section 6, Beneficiary may enforce its rights under the Agreement and this Security Instrument and acquire the Property.

7. PROPERTY INSPECTION. Beneficiary or Beneficiary's agents may, at Beneficiary's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Beneficiary shall give Trustor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property shall be entirely for the benefit of Beneficiary and Trustor shall in no way be entitled to rely on Beneficiary's inspection.

8. RIGHTS UPON BREACH. If Trustor violates or fails to perform or satisfy any covenant or obligation described in this Security Instrument or the Agreement, or if Trustor otherwise violates the terms of this Security Instrument or the Agreement, Trustor will be in breach of this Security Instrument and the Agreement ("Breach"). Also, if Trustor files or becomes subject to a bankruptcy or insolvency proceeding, or if an Early Sale occurs under the Agreement, Trustor will be in Breach of this Security Instrument and the Agreement. If Trustor Breaches this Security Instrument or the Agreement, Beneficiary may: (i) acquire the property pursuant to the terms of this Security Instrument and the Agreement; or (ii) take action to protect Beneficiary's interest under this Security Instrument and the Agreement. The actions Beneficiary may, but is not obligated to, take to protect its interest includes, but are not limited to, the following: (i) purchasing insurance on the Property at the amount required under this Agreement; (ii) satisfying any liens or other encumbrances on the Property; (iii) repairing the Property to a condition substantially similar to the condition it was in at the time



Trustor signed the Agreement; and (iv) paying any mortgage, debt, utilities, taxes, assessments, maintenance, home owner dues, or other costs associated with the Property. Trustor agrees to reimburse Beneficiary for any amounts paid by Beneficiary as the result of Trustor's Breach. Beneficiary is entitled to subtract any amount owed by Trustor from the amount owed to Trustor to acquire the Property under this Security Instrument and the Agreement.

9. ATTORNEYS' FEES; EXPENSES. Trustor agrees to pay all costs and expenses incurred by Beneficiary in enforcing or protecting Beneficiary's rights and remedies under this Security Instrument. This amount may include, but is not limited to, attorneys' fees, court costs, and other legal expenses. This Security Instrument shall remain in effect until released.

10. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this Section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), and all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretative letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics that render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste," or "hazardous substance" under any Environmental Law.

Trustor represents, warrants and agrees that:

- A. Except as previously disclosed and acknowledged in writing to Beneficiary, no Hazardous Substance is or will be located, stored or released on or in the Property.
- B. Except as previously disclosed and acknowledged in writing to Beneficiary, Trustor and every tenant have been, are, and shall remain in full compliance with any applicable Environmental Law.
- C. Trustor shall immediately notify Beneficiary of any release or threatened release of a Hazardous Substance on, under or about the Property or if there is a violation of any Environmental Law concerning the Property. In such event, Trustor shall take all necessary remedial action in accordance with any Environmental Law.
- D. Trustor will immediately notify Beneficiary in writing of any pending or threatened investigation, claim, or proceeding concerning any purported violation of any Environmental Law.

11. JOINT AND INDIVIDUAL LIABILITY; SUCCESSORS AND ASSIGNS. All obligations and covenants under this Security Instrument are joint and individual. If Trustor signs this Security Instrument but does not sign the Agreement, Trustor acknowledges that Trustor has received a benefit from the Agreement and that Trustor is signing this Security Instrument and agreeing to the terms of this Security Instrument as security for the performance and rights granted hereunder and under the Agreement. The obligations, covenants, and benefits of this Security Instrument shall bind and benefit the



successors, personal and legal representatives, beneficiaries, and assigns of Trustor and Beneficiary.

12. NOTICE. Unless otherwise required by law, any notice shall be given by delivering it or mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one Trustor will be deemed notice to all Trustors. **Beneficiary and Trustor request that copies of any notice of default or notice of sale under a separate security instrument or lien be sent to Beneficiary and Trustor at the address listed on page 1 of this Security Instrument.**

13. SEVERABILITY; INTERPRETATION. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified, unless done so in writing signed by Beneficiary and Trustor. Any section in this Security Instrument, the Agreement, or any other attachments or other documents related to this Security Instrument that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.

14. SUCCESSOR TRUSTEE. Beneficiary, at Beneficiary's option, may from time to time remove Trustee and appoint a successor trustee without any other formality than the designation in writing. The successor trustee, without conveyance of the Property, shall succeed to all the title, power and duties conferred upon Trustee by this Security Instrument and applicable law.

15. SPOUSE'S SEPARATE PROPERTY. Any Trustor who is a married person expressly agrees that recourse under this Security Instrument or the Agreement may be had against his or her separate property.

16. APPLICABLE LAW. This Security Instrument shall be governed by the laws of the State of Nevada.

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SIGNATURES: By signing below, Trustor and Beneficiary agree to the terms and covenants contained in this Security Instrument. Trustor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

TRUSTOR:

Dolores Diane Scott
DOLORES DIANE SCOTT

Richard M. Scott
RICHARD M. SCOTT

Date: May 7 2012

STATE OF NEVADA)
COUNTY OF Douglas) SS

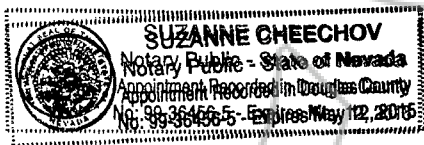
On May 7th, 2012, before me, Suzanne Cheechov, the undersigned Notary Public, personally appeared DOLORES DIANE SCOTT and RICHARD M. SCOTT, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same in their authorized capacities, and that by their signatures on the instrument, the persons, or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of Nevada that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature *Suzanne Cheechov*

(seal)





BENEFICIARY: THE JILL KRATZ LIVING TRUST, DATED JANUARY 29, 2002

By: *Jill Kratz*
JILL KRATZ, TRUSTEE

STATE OF NEVADA)
) SS
COUNTY OF *Douglas*)

On *MAY 7th*, 2012, before me, *Suzanne Cheechov*, the undersigned Notary Public, personally appeared JILL KRATZ, 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 in her authorized capacity, and that by her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of Nevada that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature *Suzanne Cheechov* (seal)

