



THIS INSTRUMENT PREPARED BY
AND WHEN RECORDED RETURN TO:

R. Clay Hendrix, P.C.
8831 West Sahara Avenue
Las Vegas, Nevada 89117
Attention: R. Clay Hendrix., Esq.

Assessor's Parcel No:

- 1320-33-210-043
- 1320-33-210-044
- 1320-33-210-045
- 1320-33-210-046
- 1320-33-210-047
- 1320-33-210-048
- 1320-33-210-049
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- 1320-33-210-052
- 1320-33-210-053
- 1320-33-210-059
- 1320-33-210-060
- 1320-33-210-061
- 1320-33-210-062

001099022 LI

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

DEED OF TRUST

THIS DEED OF TRUST, made this 18th day of October, 2012; between KDH Builders The Ranch, LLC, a Nevada Limited Liability Company, GRANTOR/TRUSTOR (hereinafter referred to herein as TRUSTOR), whose address for the purpose of this Deed of Trust is 18124 Wedge Parkway #419 Reno, NV 89511; Northern Nevada Title Company, 307 W Winnie Lane #1 Carson City, NV 89703 (herein called TRUSTEE); and Greebanese Investors 2, a California Limited Liability Company, (herein collectively called BENEFICIARY), whose address for the purpose of this Deed of Trust is 9960 Business Park Drive, Suite 150, Sacramento, California 95827, as follows:

WHEREAS Trustor owes Beneficiary in lawful money of the United States the sum of SIX HUNDRED THOUSAND and 00/100 Dollars (\$600,000.00),



NOW, THEREFORE for the purpose of securing: 1) a Promissory Note Secured by Deed of Trust ("Promissory Note") in the amount of SIX HUNDRED THOUSAND AND NO/100 DOLLARS (\$600,000.00), dated the same date as this Deed of Trust, 2) each agreement of the Trustor contained herein including payment of said Promissory Note and any extensions or renewals thereof; and 3) any money or other consideration with interest thereon that may be advanced by or otherwise become due to the Trustee or Beneficiary under the provisions hereof, Trustor irrevocably grants to Trustee in trust with power of sale that property in Washoe County, Nevada described as:

See Exhibit A attached hereto.

Together with all appurtenances in which Trustor has any interest, including water rights benefitting said realty whether represented by shares of a company or otherwise; and further

Trustor hereby gives to, confers and absolutely assigns to the beneficiary all rents, issues and profits, reserving the right, power and authority during the continuance of these trusts to collect the rents, issues and profits of said property or of any personal property located thereon without further action by the Beneficiary and with or without taking possession of the property affected hereby.

Trustor further agrees as follows:

i. To properly care for and keep said property in good condition and repair, not to remove or demolish any building thereon, to complete in a good and workmanlike manner any building which may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws, ordinances and regulations requiring any alterations or improvements to be made thereon; not to commit or permit any waste thereof, not to commit suffer or permit any act to be done in or upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and/or do any other act or acts, all in a timely and proper manner, which, from the character or use of said property, may be reasonably necessary, the specific enumerations herein not excluding the general.

ii. To pay and discharge all costs, fees and expenses of the above-mentioned Trustee, including cost of evidence of title and Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon delivery by Trustee of Notice of Breach and Election to sell, as provided herein and by Nevada law.

iii. The amount connected under any fire insurance policy shall be credited: first, to accrued interest, next to expenditures hereunder; and any remainder upon the principal, and interest shall thereupon cease upon the amount so credited upon principal; provided, however, that at the option of the Beneficiary, the entire amount collected under the policies or any part thereof may be released to the Trustor, without liability upon the Trustee for such release.

iv. If, during the existence of the Trust there be commenced or pending any suit or action affecting said conveyed premises, or any part thereof, or the title thereto, or if any adverse claim for or against said premises, or any part thereof, be made or asserted, it will appear in and defend any such matter purporting to affect the security and will pay all costs and damages arising because of such action.

v. Any award of damages in connection with any condemnation for public use of or injury to any property or any part thereof is hereby assigned and shall be paid to Beneficiary, who may apply or release such moneys received by it in the same manner and with the same affect as herein provided for disposition of proceeds of insurance.



vi. Acceptance by Beneficiary of any sum in payment of any indebtedness secured hereby, after the date when the same is due, shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums so secured or to declare default as herein provided for failure so to pay.

vii. Upon receipt of a written request from the Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed of Trust and said note to Trustee for cancellation and retention and upon payment of its fees, the Trustee shall reconvey without warranty the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the trust thereof. The Grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto," and Trustee is authorized to retain this Deed of Trust and note.

viii. 1. Should default be made by Trustor in payment of any indebtedness secured hereby and/or in performance of any agreement herein, the Beneficiary may declare all sums secured hereby immediately due by delivery to Trustee of a written declaration of default and demand for sale, and of written notice of default and election to cause said property to be sold (which notice Trustee shall cause to be filed for record) and shall surrender to Trustee this Deed, the note(s) and all documents evidencing any expenditure secured hereby.

(a) After three months shall have elapsed following recordation of any such notice of default, Trustee shall sell said property at such time and at such place in the State of Nevada as the Trustee, in its sole discretion, shall deem best to accomplish the objects of these Trusts, having first given notice of such sale as then required by law. Place of sale may be either in the county in which the property to be sold, or any part thereof, is situated, or at an office of the Trustee located in the State of Nevada.

(b) The Trustor, Pledger and Mortgagor of the personal property herein pledged and/or mortgaged waives any and all other demands or notices as conditions precedent to sale of such personalty.

(c) Trustee may postpone sale of all, or any portion, of said property by public announcement at the time fixed by said notice of sale, and may thereafter postpone said sale from time to time by public announcement at the time previously appointed.

(d) At the time of sale so fixed, Trustee may sell the property so advertised or any part thereof, either as a whole or in separate parcels at its sole discretion, at public auction, to the highest bidder for cash in lawful money of the United States, payable at time of sale, and shall deliver to such purchaser a deed conveying the property so sold, but without covenant or warranty, express or implied. Trustor hereby agrees to surrender, immediately and without demand, possession of said property to such Purchaser. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

(e) The Beneficiary or assigns may, at any time, by instrument in writing, appoint a successor or successors to the Trustee named herein or action hereunder, which instrument, executed and acknowledge by beneficiary, and recorded in the Office of the County Recorder of the County (or Counties) wherein said property is situated, shall be conclusive proof of the proper substitution of such successor or trustee, who shall have all the estate, powers, duties and trusts in the premises vested in or conferred on the original Trustee. If there be more than one Trustee, either may act



alone and execute the Trusts upon the request of the Beneficiary and his acts shall be deemed to be the acts of all Trustees, and the recital in any conveyance executed by such sole trustee of such requests shall be conclusive evidence thereof, and of the authority of such sole Trustee to act.

(f) Trustee shall apply the proceeds of any such sale to payment of: expenses of sale and all charges and expenses of Trustee and of these Trusts, including cost of evidence of title and Trustee's fee in connection with sale; all sums expended under the terms hereof, not then repaid, with accrued interest at the rate of ten percent (10%) per annum, all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

(g) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisee, administrators, executors, successors and assigns.

(h) Trustee accepts these trusts when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

(i) 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, and the term Beneficiary shall mean the holder and owner, including pledges, of the note secured hereby, whether or not named as a beneficiary herein, or, if the note has been pledged, the pledges thereof.

(j) 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 to secured or to declare default for failure so to pay.

xi. This Deed of Trust and Note secured hereby provide for the partial release and/or subordination of the debt upon the following terms and conditions:

(a) Subordination. Lender agrees to subordinate its interests secured by Deed of Trust in each final mapped residential Lot to construction loans secured by Five (5) Lots in a total amount not to exceed EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$800,000.00) ("Construction Loans"). Borrower is entitled to the subordination of the Lender's Deed of Trust to multiple construction loans but on not more than five (5) Lots total. For Example, Lender will subordinate its interest in five (5) residential Lots upon Borrower securing the financing from one or more lenders on each of the five (5) Lots in an amount not to exceed \$800,000.00. When Borrower sells one of the single family residences and pays the release price in paragraph 5b, then Borrower may secure an additional Construction Loan secured by one (1) more Lot that Lender shall subordinate its interest provided the total value of the principal amount of the construction loans does not exceed EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$800,000.00). Borrower shall have the right to select each final mapped Lot to which Lender shall subordinate its interests to the Construction Loans provided Borrower is



not in default in any obligation secured by the Property or any portion thereof.

b. **Partial Release.** Lender shall from time to time, upon written request of Borrower and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of the Deed of Trust upon the remainder of said Property; re-convey one (1) mapped Lot for each payment of FORTY THOUSAND and No/100 DOLLARS (\$40,000.00) ("**Partial Release Price**"), plus accrued interest from the date of the obligation on the Partial Release Price until paid at twenty percent (20%) per annum. In no event shall the accrued interest on the Partial Release Price exceed 50% of the profit Borrower will realize from a released lot with the improvements constructed thereon. If the accrued interest on the Partial Release Price is less than fifty percent (50%) of Borrower's profit, then Borrower shall pay Lender fifty percent (50%) of the profit. Payment on the Partial Release price and accrued interest is due thirty (30) days after the Partial Release Document is Recorded. If the amount Borrower pays Lender for the Partial Release Price plus accrued interest exceeds fifty percent (50%) of the profit, the Lender shall reimburse Borrower for the overpayment. Borrower may exercise the right to the partial release and reconveyance as many times as the Borrower deems necessary, in its sole discretion, and may select each and every Lot to be reconveyed upon payment of each Partial Release Price, plus accrued interest, without any objection by the Lender, Beneficiary or Trustee. The Partial Release Price shall be directly applied to the principal obligation of the Note Secured by Deed of Trust, secured hereby.

x. Covenants Numbers 1, 2, 3, 4, 5, 6, 7, 8 and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust. The amounts agreed upon by the parties to this instrument with respect to Covenant No. 2, regarding the amount of fire insurance shall be an amount necessary to replacement of the structure and improvements. With regard to Covenant No. 4, regarding interest due for any sums advanced by the Trustee or Beneficiary, the interest rate on these sums shall be twelve percent (12%). With regard to Covenant No. 7 regarding attorney's fees, the percentage of fees due shall be one percent (1%). Such provisions so incorporated shall have the same force and effect as those specifically set forth and incorporated herein.



xi. Due on Sale Clause: If all or any part of the property described above or an interest therein is sold or transferred by the Trustor without Beneficiary's consent, except as produced in the partial release and reconveyance provision herein, the Beneficiary may declare all sums secured by this Deed of Trust immediately due and payable.

The undersigned Trustor requests that a copy of any Notice of Default and any Notice of Sale hereunder be mailed to him at the address set forth above.

IN WITNESS WHEREOF, on the 18th day of October 2012 Trustor has executed this Agreement .

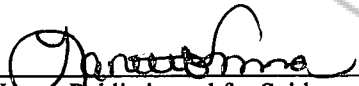
KDH Builders The Ranch LLC
A Nevada Limited Liability Company

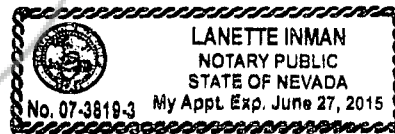
By: 
Kenneth D. Hendrix

ACKNOWLEDGMENT

STATE OF NEVADA)
) SS.
COUNTY OF WASHOE)

On the 18th day of October, 2012, personally appeared before me, the undersigned, a Notary Public in and for said State, Kenneth Hendrix, Manager of KDH Builders The Ranch proved to me to be the person whose name is subscribed to the in the above entitled instrument, who acknowledged that he executed the instrument for the purposes stated herein.


Notary Public in and for Said
County and State



Notary Seal

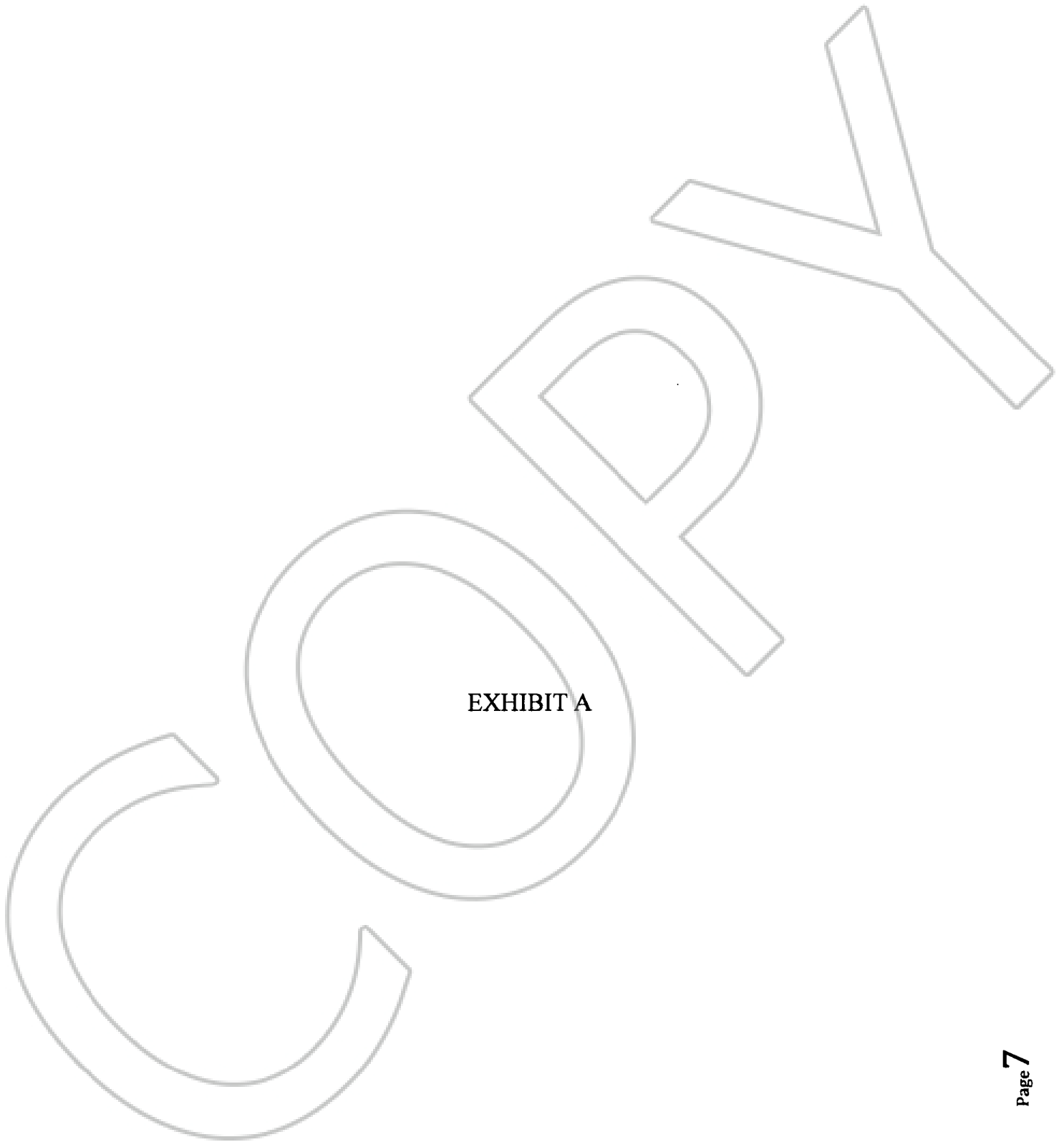




EXHIBIT "A"

Lots 11, 12, 13, 14, 15 in Block C, Lots 16, 17, 18, 19 in Block D, Lots 20, 21, 22, 28, 29, 30 in Block E, as shown on the Amended Final Map Planned Unit development PD 04-008 The Ranch at Gardnerville Phase 1, recorded in the office of the Douglas County Recorder, State of Nevada on March 12, 2012 in Book 312 at Page 7779 as Document No. 799923, Official Records.

