



**DEED OF TRUST**

**THIS INSTRUMENT PREPARED BY  
AND WHEN RECORDED RETURN TO:**

R. Clay Hendrix, P.C.  
3654 North Rancho Drive,  
Suite 101  
Las Vegas, Nevada 89130

Assessor's Parcel No:

1320-33-210-070

Send Tax Bills to the  
address of the Grantee:  
10625 Double R Blvd.  
Reno, Nevada

89521

110070845

**(SPACE ABOVE  
THIS LINE FOR  
RECORDER'S  
USE)**

***DEED OF TRUST***

THIS DEED OF TRUST, made this 18<sup>th</sup> day of September, 2013, 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 10625 Double R Blvd., Reno, Nevada 89521; Northern Nevada Title Company, 307 W Winnie Lane #1 Carson City, NV 89703 (herein called TRUSTEE); and Greebanese Investments 3, LLC, 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 One Million One Hundred Thirty-Four Thousand Dollars (\$1,134,000.00).

NOW, THEREFORE for the purpose of securing: 1) a Promissory Note Secured by Deed of Trust ("Promissory Note") in the amount of One Million One Hundred Thirty-Four Thousand Dollars (\$1,134,000), 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 Douglas 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 effect 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. 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 personal property.

(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 acknowledged 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.

ix. Lender agrees to subordinate or partially subordinate its interests secured by the Deed of Trust to a construction loan or multiple construction loans secured by no more than five (5) residential Lots not to exceed the principal balance of NINE HUNDRED NINETY THOUSAND AND NO/100 DOLLARS or ONE HUNDRED NINETY EIGHT THOUSAND AND NO/100 DOLLARS (\$198,000.00) for each Lot subject to the subordination. Lot ("Construction Loan"). Borrower intends to secure each Construction Loan by anywhere from one (1) to five (5) Lots. So long as the Construction Loan covering multiple Lots does not exceed the Construction Loan prorated amount per Lot amount, and Borrower is not in default hereunder; then Borrower may request that Lender subordinate to additional construction Loans, which request will not be unreasonably withheld provided Borrower is not in default under the terms of the Note and the Deed of Trust securing the Note. Nothing in this paragraph shall be read to require Lender to subordinate its Deed of Trust



interest to less than a second priority position on any Lot or multiple Lots secured by a Construction Loan.

x. 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; reconvey one (1) mapped Lot for each payment of SIXTY-THREE THOUSAND DOLLARS (\$63,000.00) ("**Partial Release Price**"), and within thirty (30) days of closing Barrow shall pay Lender accrued interest from the date of the obligation on the Partial Release Price until paid at ten percent (10%) per annum or fifty percent of the Borrower's Profit as calculated per the terms in paragraph 4. Borrower shall pay the Partial Release Price plus interest at ten percent (10%) upon recordation of the Partial Release Document within thirty (30) days of closing escrow on the released Lot to a home buyer. Any additional interest due shall be reconciled and paid within thirty (30) days thereafter. 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 Amount plus accrued interest, if any, due under this Note.

xi. 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.

xii. Due on Sale Clause: If all or any part of the property described above or an interest therein is sold or transferred by the Trustors 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.

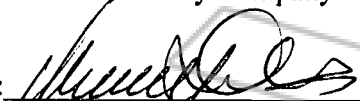
xiii. The laws of the State of Nevada shall govern this Deed of Trust.



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, Trustor has executed this Agreement.*

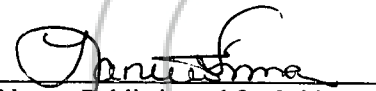
KDH Builders The Ranch, LLC  
A Nevada Limited Liability Company

By:   
Kenneth D. Hendrix

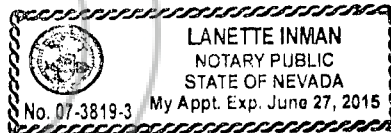
**ACKNOWLEDGMENT**

STATE OF NEVADA )  
) SS. Carson City )  
COUNTY OF WASHOE )

On the 19<sup>th</sup> day of September, 2013, personally appeared before me, the undersigned, a Notary Public in and for said State, Kenneth D. Hendrix, Manager, 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

Notary Seal





**EXHIBIT "A"**

Lot 2B as shown on FINAL MAP PLANNED UNIT DEVELOPMENT PD 04-008 THE RANCH AT GARDNERVILLE PHASE IIA-1, recorded in the office of the Douglas County Recorder, State of Nevada on June 18, 2013 in Book 613 at Page 4667 as Document No. 825569, Official Records.

