

DOC # 840788
04/08/2014 03:00PM Deputy: SG
OFFICIAL RECORD

Requested By:
Ticor Title - Reno (Commer
Douglas County - NV
Karen Ellison - Recorder
Page: 1 of 15 Fee: \$28.00
BK-414 PG-1644 RPTT: 0.00



Assessor's Parcel No.: 1220-31-001-012

En 01303027-CD

After recording, return Deed of Trust to
the following address:

Martin L. Gardner, Managing Member
Western Equine, LLC
P.O. Box 323
Gardnerville, NV 89410

The undersigned hereby affirms that this document
submitted for recording does not contain the personal
information of any person or persons per N.R.S.
239B.030.

Signature of Declarant or Agent

PURCHASE MONEY DEED OF TRUST WITH ASSIGNMENT OF RENTS

This Purchase Money Deed of Trust with Assignment of Rents (herein the "Deed of Trust") is dated and effective this 8th day of April, 2014 and is executed by **Carson Valley Equine Enterprises, LLC**, a Nevada limited liability company, as "Trustor," to **Ticor Title of Nevada, Inc.**, a corporation, as "Trustee," for the benefit of **Western Equine, LLC**, a Nevada limited liability company formerly known as G B E, LLC, as "Beneficiary."

1

CONVEYANCE AND PROPERTY DESCRIPTION

Trustor, in consideration of the indebtedness evidenced by the Note described in article II below, irrevocably grants, bargains, sells, conveys, and assigns to Trustee, in trust, with power of sale, the real property situated in the County of Douglas, State of Nevada, more particularly described on Exhibit "A" attached hereto and incorporated herein by reference, hereafter referred to as the "Real Property." The Real Property is granted and conveyed together with the following:

A. All right, title, and interest which Trustor now has or may hereafter acquire to the Real Property, including, without limitation, all easements, rights-of-way, water and water rights appurtenant to the Real Property (including those described on Exhibit "B," attached hereto and incorporated herein by reference); all oil, gas, and mineral rights



appurtenant to the Real Property; and any other tenements, hereditaments, and appurtenances of the Real Property;

B. All buildings, structures, and other improvements, and all accessions, additions, replacements, substitutions, or alterations thereof or appurtenances thereto, now or at any time hereafter situated, placed, or constructed on the Real Property, all of which are hereafter referred to as the "Improvements;"

All of the above-described property is hereafter referred to collectively as the "Property."

II

OBLIGATIONS SECURED

This Deed of Trust secures the following obligations of Trustor to Beneficiary:

A. Payment of the indebtedness evidenced by a Purchase Money Promissory Note Secured by Deed of Trust (the "Note") of this same date executed by Trustor and payable to the order of Beneficiary in the principal sum of Five Hundred Eighty-five Thousand Dollars (\$585,000.00), bearing interest at the rate of five percent (5%) per annum, together with all modifications, extensions, and renewals of the Note;

B. The performance of each obligation, covenant, and agreement of Trustor contained in the Note and this Deed of Trust, which are hereafter referred to collectively as the "Loan Documents;" and

C. Payment of such additional sums, with interest thereon, that are described below:

1. Sums that may hereafter be loaned by Beneficiary to Trustor or the then record owner of the Real Property when evidenced by a promissory note reciting that it is secured by this Deed of Trust;

2. Sums that may be incurred, paid, or advanced by Beneficiary, or that may otherwise be due to Trustee or Beneficiary, under any provision of the Note, this Deed of Trust, and any modification, amendment, extension, or renewal thereof; and

3. Sums that may otherwise be paid or advanced by Beneficiary that are reasonably necessary to protect the security or priority of this Deed of Trust or Beneficiary's rights and interests under the Loan Documents.

Trustor and Beneficiary acknowledge and agree that the Note evidences Trustor's obligation to pay Beneficiary the balance of the purchase price for the Real Property encumbered by this Deed of Trust, and that this Deed of Trust is entitled to purchase money priority as provided in Nevada Revised Statutes Section 107.026.



III

ASSIGNMENT OF RENTS AND PROFITS

Trustor further irrevocably grants, transfers, and assigns to Beneficiary the rents, income, issues, and profits from the Property, absolutely and unconditionally, and not merely as additional security for the indebtedness secured by this Deed of Trust. Prior to the occurrence of an event of default under this Deed of Trust, Trustor reserves to itself the right to collect and retain the rents, income, issues, and profits of the Property as they become due and payable. In the event of a default under the Note or this Deed of Trust, Beneficiary may, with or without taking possession of the Property, collect all such rents, income, issues, and profits, and may either personally or by attorney or agent, without bringing any action or proceeding, or by a receiver to be appointed by the court, enter into possession and control of the Property, make, cancel, enforce, and modify leases and licences, obtain and evict tenants, and set and modify rents and terms of payment of rent. Beneficiary may sue for and collect all or any part of the rents, income, issues, and profits of the Property, and after payment of all costs of maintenance, operation, and collection, including reasonable attorneys' fees, that Beneficiary may deem proper, apply the balance to the indebtedness then secured by this Deed of Trust. The receipt and application by Beneficiary of such rents, income, issues, and profits, after execution and delivery of a Notice of Default and Election to Sell or during the pendency of the Trustee's sales proceedings under this Deed of Trust, will not cure such breach or default nor affect the sale proceedings or any sale made pursuant to this Deed of Trust. All such rents, income, issues, and profits, less the costs of operation, maintenance, and collection and reasonable attorneys' fees, when received by Beneficiary, are to be applied in reduction of the indebtedness from time to time outstanding that is secured by this Deed of Trust in such order as Beneficiary may determine.

If the rents, income, issues, and profits of the Property are not sufficient to satisfy the costs, if any, of taking possession and control of and managing the Property and collecting the rents, income, issues, and profits thereof, any funds expended by Beneficiary for such purposes are to become additional indebtedness of Trustor to Beneficiary that is secured by this Deed of Trust. Such amounts are to be repayable to Beneficiary upon demand and are to bear interest from the date of the disbursement at the "Interest Rate," as that term is defined in the Note.

In addition to the foregoing rights and remedies with respect to the rents, income, issues and profits of the Property, Beneficiary shall also be entitled to all rights and remedies of an Assignee under and pursuant to the provisions of Chapter 107A of the Nevada Revised Statutes and any substitute provisions hereafter applicable to the Property and this Deed of Trust.



IV

COVENANTS OF TRUSTOR

To protect the security of this Deed of Trust, Trustor agrees as follows:

A. Repair, Maintenance, And Preservation Of The Property. During the term of this Deed of Trust, Trustor covenants and agrees to do the following:

1. To maintain the Property in good, safe, and insurable condition and repair, subject to ordinary wear and tear, and not to commit or suffer waste;
2. To not remove or demolish any of the Property or Improvements without Beneficiary's prior written consent;
3. To repair or restore promptly in a good and workmanlike manner any of the Property which may be damaged or destroyed or which may be affected by any condemnation or eminent domain proceeding;
4. To comply with all (i) laws, ordinances, regulations, and standards applicable to the Property; (ii) covenants, conditions, restrictions, and equitable servitudes, whether public or private, of every kind and character which are applicable to the Property; and (iii) all requirements of insurance companies for insurability of the Property and Trustor's use thereof.
5. To not abandon the Property except in emergency circumstances which make occupancy of the Real Property impossible; and
6. To refrain from allowing the Property to waste or otherwise impair or diminish the value of the Property or the security of this Deed of Trust.

B. Real Property Taxes And Assessments. Trustor agrees to pay, not later than the due date and before any penalty or interest attaches, all general taxes and all special taxes, special assessments, water, drainage and sewer charges and all other charges, of any kind whatsoever, ordinary or extraordinary, which may be levied, assessed or imposed on or against the Real Property and, upon the request of Beneficiary, to exhibit to Beneficiary all official receipts evidencing such payments; provided, however, that in the case of any special assessment (or other imposition in the nature of a special assessment) payable in installments, each installment thereof shall be paid prior to the date on which each such installment becomes due and payable; provided further that upon posting a bond in an amount satisfactory to Beneficiary, or, if consented to by Beneficiary, upon establishing adequate reserves in an amount satisfactory to Beneficiary, Trustor may contest the validity of such taxes, in good faith and at Trustor's expense.

If Trustor fails to make these payments, fails to perform any other covenants and agreements contained in this Deed of Trust, or there is a legal proceeding that may



significantly affect Beneficiary's rights in the Property (such as a proceeding in bankruptcy, for condemnation, or to enforce laws or regulations), then Beneficiary may do and pay whatever is necessary to protect the value of Property and Beneficiary's rights in the Property, including payment of taxes and hazard insurance.

C. Insurance. During the term of this Deed of Trust, Trustor agrees to procure and maintain at all times the following policies of insurance:

1. Fire, extended coverage, and, during all periods of construction of Improvements, builders risk insurance (including, without limitation, windstorm, explosion, and such other risks usually insured against by owners of similar properties) on the Improvements in an amount equal to one hundred percent (100%) of the full insurable value of the Real Property and in no event less than the amount required to prevent Trustor from becoming a co-insurer within the terms of the applicable policies; and

2. Comprehensive public liability insurance insuring against loss, damage, or liability for injury or death to persons and loss and damage to property occurring from any cause whatsoever on, in, or about the Property. Such liability insurance shall be in such amount as Beneficiary may require.

All fire, extended coverage, and builder's risk policies must have suitable loss-payable and standard non-contribution mortgagee clauses in favor of Beneficiary (or, in the case of a foreclosure sale, in favor of the purchaser at such sale), and copies of the policies must be delivered to Beneficiary. In case of a loss, Beneficiary is authorized to apply all insurance proceeds, at Beneficiary's option, to (i) the reduction of the indebtedness and obligations secured by this Deed of Trust, whether due or not then due, or (ii) allow Trustor to use the proceeds, or part thereof, to repair the damage or otherwise restore the Improvements; provided, however, so long as there is no uncured event of default under this Deed of Trust, Trustor may use all or a portion of such insurance proceeds for the restoration of the Improvements, and Beneficiary may not unreasonably withhold such approval therefore.

Trustor must notify Beneficiary, in writing, of any loss to the Real Property covered by insurance, and Trustor hereby directs each insurance company to make payment for such loss jointly to Trustor and Beneficiary. Trustor agrees that any payment which is delivered, for any reason, to Trustor is to be held in trust for Beneficiary and applied in accordance with the provisions of this Deed of Trust.

In the event of foreclosure of this Deed of Trust or other transfer of title to the Property that extinguishes the indebtedness secured hereby, all rights, title and interests of Trustor in and to insurance policies in force shall pass to the purchaser or transferee.

D. Repair And Restoration Of Improvements. If any Improvement now or hereafter constructed on the Real Property should be destroyed or damaged by fire or any other cause, whether insured or uninsured, and if Trustor is not then in default under the terms of this Deed of Trust, any insurance proceeds or recovery related to said loss, to the



extent of the cost of restoration or rebuilding, shall be applied by Trustor to restore or rebuild such improvement with materials and workmanship of as good quality as existed before such damage and destruction to substantially their former state, and Trustor shall commence the work of restoration or rebuilding as soon as possible and proceed diligently until completion. If Trustor shall be in default under the terms of this Deed of Trust at the time of such damage or destruction, Beneficiary shall have the right either to apply any insurance proceeds or other recovery related to said loss to a reduction of the indebtedness hereby secured or to require Trustor to restore or rebuild such building or other improvements as provided above. Plans and specifications for the restoration as herein required must be submitted to Beneficiary prior to commencement of the work and are subject to reasonable approval by Beneficiary.

E. Compliance With Laws. Trustor must comply in all material respects with all restrictions affecting the Real Property and with all laws, ordinances, acts, rules, regulations, and orders of any legislative, executive, administrative, or judicial body, commission, or officer (whether federal, state or local) exercising any power of regulation or supervision over Trustor, or over any part of the Property, whether the same be directed to the repair thereof, manner of use thereof, structural alteration of Improvements, or otherwise.

F. Compliance With Leases. Trustor agrees to faithfully perform all of its obligations under any existing and future leases or other agreements related to the use and occupancy of the Real Property and to refrain from any action or inaction which would result in termination of any such leases or agreements or in the diminution of the value thereof or of the rents or revenues due thereunder.

G. Condemnation. Trustor hereby assigns to Beneficiary, as additional security, all awards of damage resulting from condemnation proceedings or the taking of or injury to the Property for public use, and Trustor agrees that the proceeds of all such awards are to be paid to Beneficiary or Trustee to the extent authorized by applicable law and are to be applied by Beneficiary or Trustee first to the payment of all expenses incurred by Beneficiary or Trustee in connection with such proceedings, including reasonable attorneys' fees and expenses, second, to the restoration and repair of any damage to the remainder of the Property caused by the condemnation or the taking, and third, to the reduction of the obligations secured hereby. The balance of any such award is to be paid to Trustor or to any persons claiming through or under Trustor.

H. Inspection. Beneficiary, or any person designated by Beneficiary in writing, may from time to time, upon reasonable advance notice to Trustor, make such inspections and verifications of the Real Property as Beneficiary may consider reasonable under the circumstances, including, but not limited to, all inspections authorized by the Loan Documents.

I. Statutory Covenants. To the extent not inconsistent with the express provisions of this Deed of Trust, the following covenants of Section 107.030 of the Nevada Revised Statutes are hereby adopted and made a part of this Deed of Trust: Covenant No.



3, Covenant No. 4 (interest, Interest Rate under Note), Covenant No. 5, Covenant No. 6, Covenant No. 7 (attorneys' fees, reasonable), Covenant No. 8, and Covenant No. 9.

V

DEFAULT AND REMEDIES

A. Events Of Default. The term "Event of Default" as used herein means the occurrence of any one or more of the following:

1. Non-Payment Of Indebtedness. The failure, refusal, or neglect to pay, in full, (a) any regular monthly installment of principal and interest under the Note on or before the date the same becomes due; (b) the entire unpaid balance of principal and accrued interest under the Note on the due date specified in the Note, by acceleration or otherwise; or (c) real estate taxes, special assessments and insurance premiums on or before the date payment of the same is due as evidenced by the statement for such charge (any of which are herein defined as a "Default in Payment").

2. Non-Performance Of Obligations. The failure, refusal, or neglect to perform and discharge fully and timely any covenant, promise, or other obligation of Trustor under this Deed of Trust or the Note.

3. Voluntary Debtor Protection Proceeding. If Trustor (a) seeks entry of an order for relief as a debtor in a proceeding under the United States Bankruptcy Code; (b) seeks, consents to, or fails to contest the appointment of a receiver or trustee for itself or himself or for all or any part of its, his or her property; (c) files a petition seeking relief under the bankruptcy, arrangement, reorganization, or other debtor relief laws of the United States, any state, or any other competent jurisdiction; (d) makes a general assignment for the benefit of its, his or her creditors; or (e) admits in writing its or his inability to pay its, his or her debts as they mature.

4. Sale, Exchange Or Other Disposition. Any sale, contract for sale, grant of option to purchase, transfer, alienation or other disposition of all or any portion of the Real Property or any interest therein, whether voluntary or involuntary, without the prior written consent of Beneficiary.

5. Security Agreement. The occurrence of an uncured Event of Default under the Purchase Money Security Agreement of this same date, executed by Coli-Damonte Professional Corporation, as Debtor and Great Basin Equine Medicine & Surgery, Inc., as Secured Party.

B. Notice And Cure. A Default in Payment may be cured (and no Event of Default will be deemed to have occurred) if Trustor, after receiving written notice from Beneficiary demanding cure of such default cures the default by making payment within ten (10) days after Beneficiary's written notice. If any default, other than a Default in Payment, is curable, the default may be cured (and no Event of Default will be deemed to



have occurred) if Trustor, after receipt of written notice from Beneficiary demanding cure of the default (a) cures the default within thirty (30) days, or (b) if the cure requires more than thirty (30) days, Trustor immediately initiates steps which Beneficiary deems in Beneficiary's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

C. Remedies. Upon the occurrence of an uncured Event Of Default, Beneficiary may exercise all rights and remedies provided by law on the date of the default, including, but not limited to, the following:

1. Acceleration. Beneficiary may, at Beneficiary's option, declare immediately due and payable any one or more of the obligations of Trustor to Beneficiary which are secured hereby, and, to the extent permitted by law, the same are, upon notice to or demand on Trustor, to become immediately due and payable.

2. Possession And Collection Of Rent. Beneficiary may, at its option, acting through its agents or attorneys, either with or without process of law, enter upon and take possession and control of the Property, or any part thereof, perform such acts of repair or protection as may be necessary or proper to preserve the value thereof, evict or remove any persons occupying or personal property located on the Property, manage, operate, and control the Property, and collect all the rents, income, issues, and profits as provided in article III above.

3. Appointment Of Receiver. Beneficiary may, through the Trustee or on behalf of Beneficiary, apply to a court of competent jurisdiction for appointment of a receiver for the Property, and Trustor hereby irrevocably consents to such appointment and expressly waives any right to require a bond of the receiver, to receive notice of application for such appointment, and the right to a hearing prior to such appointment. Any receiver appointed by the court is to have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain, and operate the Property upon such terms as may be approved by the court, and to apply such rents in accordance with the provisions hereof or as otherwise directed by the court.

4. Foreclosure And Sale. Beneficiary may request that Trustee sell the Property pursuant to the power of sale granted Trustee herein in accordance with the laws of the State of Nevada, or Beneficiary may foreclose this Deed of Trust by judicial action pursuant to the laws of the State of Nevada. In this regard, the following covenants, Covenant No. 6, Covenant No. 7 (attorney's fees, reasonable), and Covenant No. 8 of NRS 108.030 are hereby adopted and made a part of this Deed of Trust.

5. No Right To Deficiency. If the proceeds of any foreclosure sale conducted pursuant to the provisions of this Deed of Trust are not sufficient to satisfy all obligations and indebtedness to Beneficiary secured hereby, Beneficiary hereby specifically waives any right which Beneficiary may otherwise have pursuant to Nevada law to obtain a deficiency from Trustor under Nevada law.



6. Remedies Cumulative. Each and every remedy provided to Beneficiary by the terms of this Deed of Trust is separate and distinct from and is cumulative to all other rights and remedies provided by this Deed of Trust, by the other Loan Documents, or by law, and each remedy may be exercised concurrently, independently, or successively, in any order Beneficiary may determine. The exercise of any one or more such rights or remedies by Beneficiary, or by Trustee at the direction of Beneficiary, is not to be construed as an election of remedies or as a waiver of any other right or remedy which Beneficiary might have.

VI

TRUSTEE PROVISIONS

A. Power Of Trustee To Reconvey Or Consent. At any time, without liability therefor and without notice to Trustor, upon the written request by Beneficiary and presentation of the Note and this Deed of Trust to Trustee for endorsement, and without altering or affecting the personal liability of Trustor or any other person for the payment of the indebtedness secured by this Deed of Trust, the validity or priority of the lien of this Deed of Trust on the remainder of the Real Property, or any right or power of Beneficiary or Trustee with respect to the remainder of the Real Property, Trustee may do any of the following: (i) reconvey or release any part of the Real Property from the lien of this Deed of Trust; (ii) approve the preparation or filing of any map or plot with respect to the Real Property; (iii) join in the grant of any easement burdening the Real Property; or (iv) enter into any extension or subordination agreement affecting the Real Property or the lien of this Deed of Trust.

B. Reconveyance. Upon the written request of Beneficiary reciting that all sums secured by this Deed of Trust have been paid, the surrender of the Note and this Deed of Trust to Trustee for cancellation, and the payment by Trustor of any reconveyance fees customarily charged by Trustee, Trustee must reconvey, without warranty, the Real Property then held by Trustee under this Deed of Trust. The recitals in such reconveyance of any matters of fact are to be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." The request and reconveyance are to operate as a reassignment of the rents, income, issues, and profits assigned by this Deed of Trust to Beneficiary.

C. Substitution Of Trustee. Beneficiary, at Beneficiary's option, may from time to time, by written instrument, substitute a successor or successors to any Trustee named in this Deed of Trust or acting under this Deed of Trust, which instrument, when executed and acknowledged by Beneficiary and recorded in the office of the recorder of the county or counties in which the Real Property is located, is to constitute conclusive proof of the proper substitution of such successor Trustee or Trustees. A separate conveyance from the predecessor Trustee is not required. Upon such substitution, the successor Trustee is to succeed to all right, title, estate, powers, and duties of the predecessor Trustee, including, without limitation, the power to reconvey the Real Property. To be effective, such instrument must contain the name of the original Trustor, Trustee, and Beneficiary



under this Deed of Trust, the book and page at which, and the county or counties in which, this Deed of Trust is recorded, and the name and address of the substitute Trustee. If any notice of default has been recorded under this Deed of Trust, the power of substitution may not be exercised until all costs, fees, and expenses of the then acting Trustee have been paid. The then acting Trustee must then endorse receipt thereof on the instrument of substitution. The procedure in this Deed of Trust for the substitution of Trustees is not to be exclusive of other provisions for substitution provided by applicable law.

D. Performance Of Duties By Agents. Trustee may authorize one or more agents to act on its behalf to perform the ministerial functions required of it hereunder, including, without limitation, the transmittal and posting of any notices.

VII

MISCELLANEOUS

A. Duration Of Obligations. Except as otherwise expressly provided in this Deed of Trust, all of the obligations of Trustor hereunder are to continue in full force and effect until the indebtedness and obligations secured hereby shall have been fully paid and performed.

B. Further Assurances. Trustor, upon the request of Trustee or Beneficiary, must execute, acknowledge, deliver, record, and/or file such further instruments and perform such further acts as may be necessary, desirable, or proper to carry out more effectively the purposes of the Note and this Deed of Trust and to create and perfect the liens on any property intended to be covered thereby, and to complete, execute, record, and file any document necessary to place third parties on notice of the liens and security interests so granted. Trustor hereby irrevocably appoints Beneficiary as its agent to execute and deliver all such documents and to record and/or file any of the documents for which recordation or filing may be necessary or appropriate.

C. Notices. All notices required or permitted to be given by law or by the terms of this Deed of Trust must be in writing and are to be considered given (1) upon personal service of a copy on the party to be served, (2) forty-eight (48) hours after mailing such notice by certified or registered mail, postage prepaid, receipt for delivery requested, addressed to the party to be served and properly deposited in the United States mail, (3) twenty-four (24) hours after facsimile transmission of a copy of the notice to the party to be served, transmitted to the facsimile number furnished by the party, provided that a copy of the notice is also mailed to the party by regular mail the same day, or (4) twenty-four (24) hours after delivery of the notice to a nationally recognized overnight delivery service, with delivery charges prepaid, properly packaged, addressed to the party to be served, with proof of delivery to be furnished. Notices must be given to the parties at the addresses listed herein. Any change in the name or address of any party is to be given by the party having such change to the other parties in the manner provided above. Thereafter, all notices are to be given in accordance with the notice of change of name or address. Notices given before actual receipt of the notice of change of name or address are not



be invalidated by the change. Notwithstanding the foregoing, notices regarding any foreclosure proceedings must be given as required by law.

D. No Waiver. Any failure by Trustee or Beneficiary to insist, or any election by Trustee or Beneficiary to not insist, upon strict performance by Trustor of any of the terms and conditions of this Deed of Trust, the Note, or any of the other Loan Documents is not to be deemed to be a waiver of the same or of any other term or condition thereof, and Trustee and Beneficiary may at any time insist upon strict performance by Trustor of all of such terms and conditions.

E. Successors And Assigns. All of the terms of the Note, this Deed of Trust, and the other Loan Documents are to be binding upon and are to inure to the benefit and detriment of the parties thereto, their respective heirs, legal representatives, successors, and assigns, and all other persons claiming by, through, or under them.

F. Severability. Every provision of this Deed of Trust, the Note, and the other Loan Documents is intended to be severable. Accordingly, if any term or provision of any such documents is declared to be illegal or invalid for any reason whatsoever, then such illegality or invalidity is not to affect the other terms and provisions, all of which are to remain binding and enforceable.

G. Entire Agreement And Modification. The Note, this Deed of Trust, and all other Loan Documents contain the entire agreement among the parties relating to the subject matter hereof and thereof, and all prior agreements relative thereto which are not contained herein or therein are hereby terminated. The Loan Documents may be amended, revised, waived, discharged, released, or terminated only by a written instrument or instruments executed by the party against which enforcement of the amendment, revision, waiver, discharge, release, or termination is asserted. Any alleged amendment, revision, waiver, discharge, release, or termination which is not so documented is not to be effective as to any party.

H. Counterparts. This Deed of Trust may be executed in any number of counterparts, each of which is to be considered an original, but all of which together are to constitute a single instrument.

I. Choice Of Law. This Deed of Trust is to be governed by and construed in accordance with the laws of the State of Nevada as in effect from time to time.

J. Headings. The headings of the articles, paragraphs, and subparagraphs are inserted for convenience of reference only and are in no way to affect, modify, define, or otherwise be used to construe the content of such articles, paragraphs, or subparagraphs.

K. Gender and Number. As used in this Deed of Trust, the masculine, feminine, or neuter gender, and the singular or plural number, are to each be considered to include the others whenever the context so indicates.



L. Sole Benefit. The Note and this Deed of Trust have been executed for the sole benefit of Trustor, Beneficiary, and the heirs, successors, assigns, and legal representatives of Beneficiary. No other party is to have the rights hereunder or be entitled to assume that the parties thereto will insist upon strict performance of their mutual obligations thereunder, any of which may be waived from time to time. Trustor may not assign any rights under such documents to any party whatsoever without the prior written consent of Beneficiary.

M. Business Or Commercial Purpose. Trustor warrants that the extension of credit evidenced by the Note is solely for business or commercial purposes, and is not for personal or household purposes.

N. No Member Or Partner. Beneficiary, by its acceptance hereof, does not become a member of or partner with Trustor. In no event is Beneficiary to be liable for any of the debts, obligations, or liabilities of Trustor as a result of the execution of this Deed of Trust, the Note, or any of the other Loan Documents, and Beneficiary is not to be liable for any contributions to Trustor. Without limiting the generality of the foregoing, nothing contained in this Deed of Trust, the Note, or the other Loan Documents is to be deemed to create a partnership and/or a joint venture between Trustor and Beneficiary.

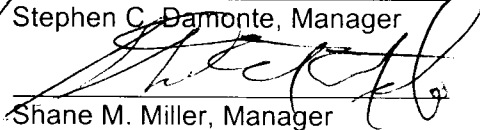
O. Conflict, Applicability Of Certain Provisions. The terms, covenants, and provisions of the Note are incorporated by reference and made a part hereof as if fully set forth herein. Any failure by Trustor to comply with and perform its obligations under the terms and conditions of the Note is to constitute an Event of Default under this Deed of Trust. In the event there exists any inconsistency between any provision of this Deed of Trust and the Note, the provisions of the Note are to control, unless Beneficiary otherwise elects in writing.

P. Time Of The Essence. Time is of the essence of this Deed of Trust.

TRUSTOR:

Carson Valley Equine Enterprises, LLC
a Nevada limited liability company

By: 
Stephen C. Damonte, Manager

By: 
Shane M. Miller, Manager

90 W. Laramie Dr.
Reno, NV 89521



STATE OF NEVADA)
): ss.
COUNTY OF WASHOE)

This Purchase Money Deed of Trust with Assignment of Rents was acknowledged before me on April 2, 2014, by Stephen C. Damonte, as a Manager of Carson Valley Equine Enterprises, LLC, a Nevada limited liability company.



[Signature]

Notary Public

STATE OF NEVADA)
): ss.
COUNTY OF WASHOE)

This Purchase Money Deed of Trust with Assignment of Rents was acknowledged before me on April 2, 2014, by Shane M. Miller, as a Manager of Carson Valley Equine Enterprises, LLC, a Nevada limited liability company.



[Signature]

Notary Public



EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

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

Parcel 5A as shown on the Parcel Map for Christopher Joseph Garrett, filed in the office of the County Recorder of Douglas County, State of Nevada, on December 19, 2001, in Book 1201, Page 6239, as File No. 530404, Official Records.

APN: 1220-31-001-012

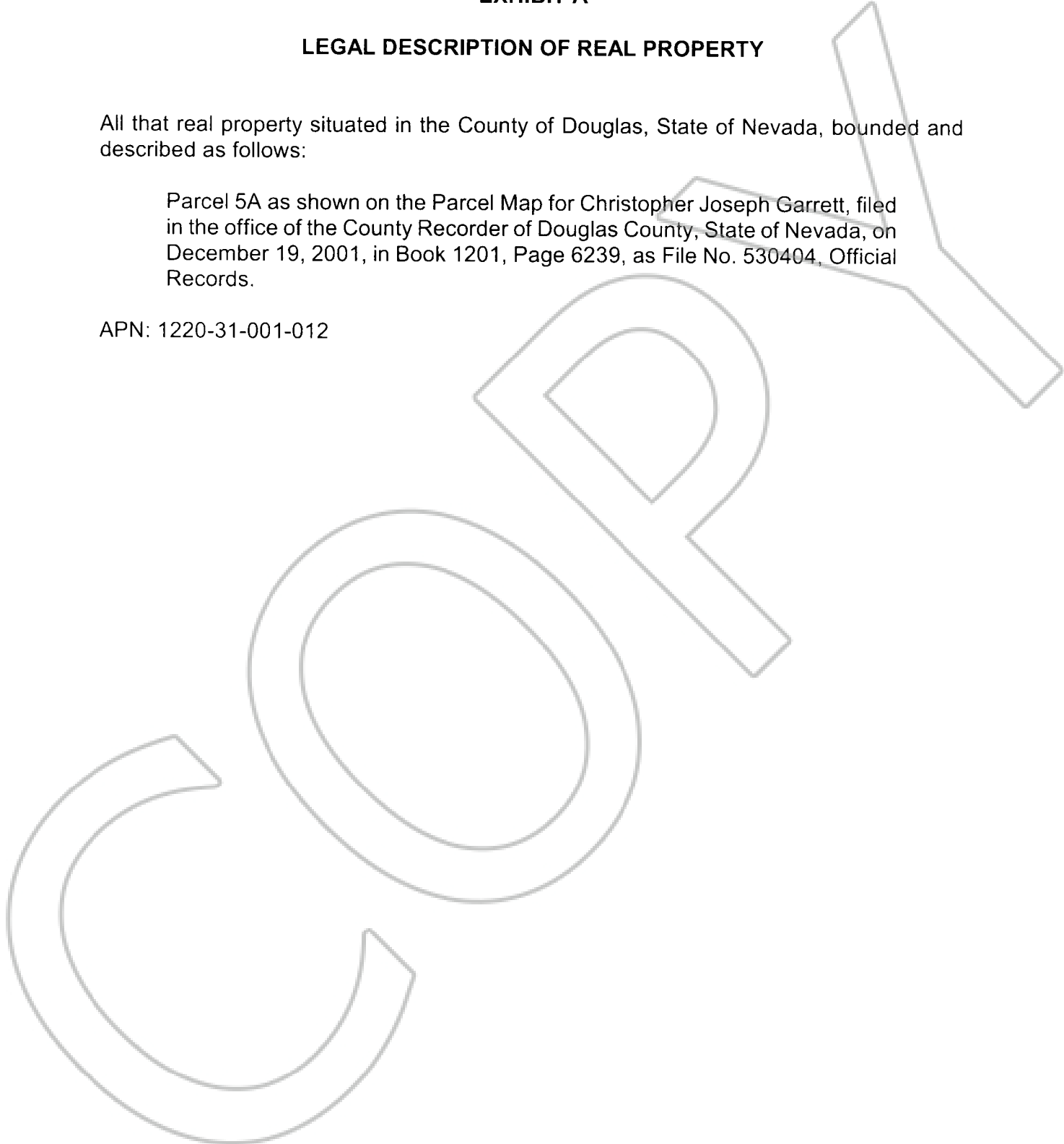




EXHIBIT B

LEGAL DESCRIPTION OF WATER RIGHTS

All of those certain water rights based in the County of Douglas, State of Nevada, described as follows:

A portion of the water and water rights evidenced by Permit No. 52030, Certificate No. 13059, issued by the Office of the State Engineer of the State of Nevada, said portion being appurtenant to the Real Property described on Exhibit "A," with the rate of diversion as set forth under said Permit (.01 cfs), having an annual duty of 6.855 acre feet;

All of the water and water rights evidenced by Permit No. 69318, issued by the Office of the State Engineer of the State of Nevada, with the entire rate of diversion as set forth under said Permit (.00552 cfs), having an annual duty of 4 acre feet;

TOGETHER WITH the right to change the manner and place of beneficial use and the point of diversion of the above described water rights.