

The undersigned hereby affirm that this document submitted for recording does not contain personal information of any person or persons.

A.P.N. 1220-15-801-001  
1220-15-701-001  
1220-15-701-003  
1220-22-000-005  
1220-22-401-003  
1220-28-000-009  
1220-22-000-006

✓ When Recorded Return to:  
Scott J. Heaton  
Heaton, Ltd.  
P.O. Box 605  
Carson City, NV 89702



00009656201508583250230233

KAREN ELLISON, RECORDER

**SUBORDINATION AGREEMENT**

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (herein "Agreement") made as of the 9th day of February, 2015, between HORSE CREEK, LLC, a Nevada Limited Liability Company, Post Office Box 1724, Carson City, Nevada 89702 (herein "MORTGAGEE"), JOHN SERPA, JR., Post Office Box 1724, Carson City, Nevada 89702 (herein "JOHN SERPA, JR.") and RANCHOS, LLC, a Nevada Limited Liability Company (herein "RANCHOS").

W I T N E S S E T H:

MORTGAGEE now owns and holds a certain mortgage as set forth on Schedule A annexed hereto which mortgage was assigned by U.S. Bank National Association, a national banking association, d/b/a/ Housing Capital Company, f/k/a Housing Capital Company, a Minnesota partnership, to MORTGAGEE as Document Numbers 815061, 815062 and 815063 and which mortgage affects those certain parcels of land and improvements thereon more particularly described in Schedule B annexed hereto (hereinafter referred to as the "Mortgage"); and

WHEREAS, the parcels of land and improvements described in Schedule B are owned by RANCHOS, said company being managed by KEITH SERPA (herein "KEITH SERPA"); and

WHEREAS, KEITH SERPA has executed a Promissory Note in favor of JOHN SERPA, JR. dated February 9, 2015 in the principal amount of ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS

(\$1,250,000.00) (herein "Note") and has agreed, as Manager of RANCHOS, that said Note will be secured by the property described in Schedule B and that said security interest will be a first deed of trust on said property; and

WHEREAS, MORTGAGEE has agreed to subordinate the Mortgage to a Deed of Trust executed by RANCHOS in favor of John Serpa, Jr., said Deed of Trust attached as Schedule C.

NOW, THEREFORE, in consideration of the foregoing premises and the covenants and agreements hereinafter set forth, the parties hereto mutually covenant and agree as follows:

1. MORTGAGEE hereby agrees to subordinate its Mortgage to the Deed of Trust executed by RANCHOS in favor of JOHN SERPA, JR. securing the Note, said Deed of Trust attached as Schedule C.

2. As a result of this Agreement, the Deed of Trust executed by RANCHOS in favor of JOHN SERPA, JR. attached as Schedule C shall become a first Deed of Trust on the property owned by RANCHOS and the Mortgage shall become a second Deed of Trust on the property owned by RANCHOS.

3. This Agreement may not be discharged or modified orally or in any manner other than by an instrument in writing specifically referring to this Agreement and signed by a duly authorized representative of MORTGAGEE, JOHN SERPA, JR. and RANCHOS.

4. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof.

5. The covenants and agreements herein contained shall apply to, and inure to the benefit of, and be binding upon MORTGAGEE, JOHN SERPA, JR. and RANCHOS and their respective successors, assigns and legal representatives.

IN WITNESS WHEREOF, MORTGAGEE, JOHN SERPA, JR. and RANCHOS intend to be legally bound, have duly executed this Agreement as of the day and year first above written.

HORSE CREEK, LLC, a Nevada  
Limited Liability Company

by: JJKS, Inc., Its Manager

By:   
Keith Serpa, President

  
JOHN SERPA, JR.

RANCHOS, LLC, a Nevada Limited  
Liability Company

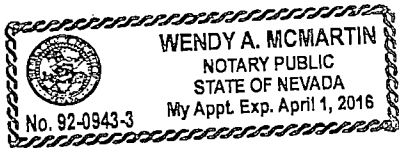
By: DGD DEVELOPMENT GENERAL  
PARTNERSHIP, a Nevada General  
Partnership

By: SSS Investments, LLC, a Nevada  
Limited Liability Company  
Its: General Partner

By:   
Keith Serpa, Manager

STATE OF NEVADA     )  
                                  ) ss.  
CARSON CITY            )

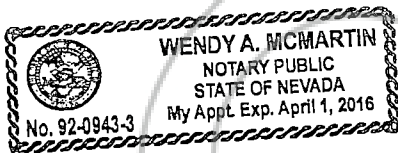
On February 23, 2015, personally appeared before me, the undersigned, a Notary Public, KEITH SERPA, President of JJKS, INC., and in his capacity as such, acknowledged to me that he executed the above instrument.



Wendy A. McMARTIN  
Notary Public

STATE OF NEVADA     )  
                                  ) ss.  
CARSON CITY            )

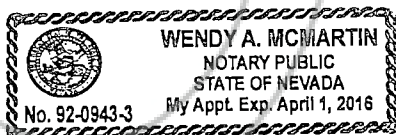
On February 23, 2015, personally appeared before me, the undersigned, a Notary Public, JOHN SERPA, JR., who acknowledged to me that he executed the above instrument.



Wendy A. McMARTIN  
Notary Public

STATE OF NEVADA     )  
                                  ) ss.  
CARSON CITY            )

On February 23, 2015, personally appeared before me, the undersigned, a Notary Public, KEITH SERPA, Manager of RANCHOS, LLC, and in his capacity as such, acknowledged to me that he executed the above instrument.



Wendy A. McMARTIN  
Notary Public

**SCHEDULE A - MORTGAGE CHAIN**

1. Deed of Trust With Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of October 25, 2004, granted by Ranchos, LLC in favor of Housing Capital Company recorded on November 2, 2004, in the Official Records of Douglas County, Nevada as Document Number 0628225, in Book 1104, Page 01029, as amended from time to time.

2. Construction Deed of Trust dated August 9, 2006, granted by DGD Development Limited Partnership in favor of Housing Capital recorded on August 29, 2006, in the Official Records of Douglas County, Nevada as Document Number 0683234, in Book 0806, Page 10557, as amended from time to time.

3. Assignment of Deed of Trust (referenced as Numbers 1 and 2 above) recorded by the Douglas County, Nevada Recorder as Document Number 815063 on December 24, 2012. Horse Creek, LLC was the assignee of the Assignment of Deed of Trust.

4. Modification Agreement (Termination of Cross-Default/Cross-Collateralization) dated December 12, 2012 between Ranchos, LLC and U.S. Bank National Association, a national banking association, dba Housing Capital Company, formerly known as Housing Capital Company, a Minnesota Partnership, recorded by Douglas County, Nevada Recorder as Document 815061 on December 24, 2012.

5. Modification Agreement (Termination of Cross-Default/Cross-Collateralization) dated December 12, 2012 between Ranchos, LLC and U.S. Bank National Association, a national banking association, dba Housing Capital Company, formerly known as Housing Capital Company, a Minnesota Partnership, recorded by Douglas County, Nevada Recorder as Document 815062 on December 24, 2012.

SCHEDULE B - LEGAL DESCRIPTION

COPY

## LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

### PARCEL 1:

The West 1/2 of the Southeast 1/4 of Section 15, Township 12 North, Range 20 East, M.D.B.&M., according to the official map thereof.

Together with the following property as described in document recorded August 21, 1985, Book 885, Page 2172, as Document No. 121873.

Commencing at the center 1/4 corner of Section 15, Township 12 North, Range 20 East, M.D.B.&M., as shown on the Official Plat of the Gardnerville Ranchos Subdivision, Unit #4 and recorded as Document No. 35915, Douglas County, Nevada, Recorder's Office; thence along the Easterly right-of-way of Dresslerville Road as described in the Deed of Dedication of Dresslerville Road and recorded as Document No. 19840, Douglas County, Nevada, Recorder's Office, South 00°00'30" West, 823.87 feet to the Point of Beginning; thence continuing South 00°00'30" West, 140.23 feet; thence along the arc of a curve to the left, tangent to the preceding course and having a delta angle of 90°05'30", radius of 120.00 feet and an arc length of 188.69 feet; thence North 89°55'00" East, 140.23 feet; thence along the arc of a curve to the right, tangent to the back bearing of the preceding course and having a delta angle of 90°05'30" radius of 260.00 feet and an arc length of 408.82 feet to the Point of Beginning.

EXCEPTING THEREFROM: The East 1/2 of the Northeast 1/4 of the Southwest 1/4 of the Southeast 1/4 of said Section 15, Township 12 North, Range 20 East, M.D.B.&M.

FURTHER EXCEPTING THEREFROM: That portion beginning 660 feet South of a point which is the center of the Southeast 1/4 of Section 15, Township 12 North, Range 20 East; thence 132 feet South; thence 330 feet West; thence 132 feet North; thence 330 feet East to place of beginning.

FURTHER EXCEPTING THEREFROM: That portion described in the deeds of dedication to Douglas County, recorded April 6, 1962, as File No. 19840, Official Records, and recorded April 6, 1962, as File No. 19841, Official Records.

FURTHER EXCEPTING THEREFROM: That portion of said land described in document recorded August 21, 1985, in Book 885, Page 2167, Document No. 121872, further described as follows:

Commencing at the center 1/4 corner of Section 15, Township 12 North, Range 20 East, M.D.B.&M., as shown on the Official Plat of the Gardnerville Ranchos Subdivision, Unit 4 and recorded as Document No. 35915, Douglas County, Nevada, Recorder's Office; thence along the Easterly right-of-way of said document, South 00°01'16" West, 1,051.67 feet to the Point of Beginning; thence continuing South 00°01'16" West, 161.53 feet; thence along the arc of a curve to the right, tangent to the back bearing of the preceding course, having a delta angle of 89°53'44", a radius of 40.00 feet and an arc length of 62.76 feet; thence North 89°55'00" East, 220.88 feet; thence along the arc of a curve to the right, tangent to the back bearing of the preceding course, having a delta angle of 50°02'00", radius of 340.00 feet and an arc length of 296.90 feet to the Point of Beginning.

Reference to said premises is made on that certain Record of Survey recorded December 15, 1989 in Book 1289 of Official Records, at Page 1634, as Document No. 216551.

APN's 1220-15-801-001, 1220-15-701-001 and 1220-15-701-003

"IN COMPLIANCE WITH NEVADA REVISED STATUE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JUNE 28, 2002, BOOK 0602, PAGE 10571, AS FILE NO. 546092, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."



PARCEL 2:

A parcel of land located within the Southeast one-quarter of Section 22, Township 12 North, Range 20 East, M.D.B.&M., Douglas County, Nevada being more particularly described as follows:

BEGINNING at the Southeast corner of said Section 22, being a 5/8 inch rebar tagged RLS 3579, as shown on Record of Survey Map, Document No. 70249 of the Douglas County Recorder's Office; thence South 89°47'13" West 2,646.11 feet to the South 1/4 corner of said Section 22, being a 5/8 inch rebar in a rock mound;

thence North 00°15'52" West, along the West line of said Southeast one-quarter, 798.72 feet to a point on the Southerly line of Lot 962 of Gardnerville Ranchos Subdivision Unit No. 7;

thence North 77°06'00" East, along said Southerly line 17.34 feet to the Southwest corner of Lot 961 of said Subdivision;

thence North 79°54'00" East, along the Southerly line of said Lot 961, 66.94 feet;

thence along the Easterly line of said subdivision, the following 15 courses:

- 1) North 08°42'00" West 10.00 feet;
- 2) 28.80 feet along the arc of a curve to the right, having a central angle of 01°06'00" and a radius of 1,500.00 feet, (chord bears North 81°51'00" East, 28.80 feet);
- 3) North 07°36'00" West, 60.00 feet;
- 4) 7.26 feet along the arc of a curve to the left, having a central angle of 00°16'00" and a radius of 1,560.00 feet, (chord bears South 82°16'00" West, 7.26 feet);
- 5) North 07°52'00" West, 125.58 feet;
- 6) South 80°14'00" West, 21.58 feet;
- 7) North 08°36'00" West, 130.00 feet;
- 8) 31.68 feet along the arc of a curve to the right, having a central angle of 01°00'00" and a radius of 1,815.00 feet, (chord bears North 81°54'00" East, 31.68 feet);
- 9) North 07°36'00" West, 50.00 feet;
- 10) 17.36 feet along the arc of a curve to the right, having a central angle of 00°32'00" and a radius of 1,865.00 feet, (chord bears North 82°40'00" East, 17.36 feet);
- 11) North 07°04'00" West, 128.67 feet;
- 12) South 82°16'00" West, 9.33 feet;
- 13) North 07°44'00" West, 130.00 feet;
- 14) North 82°16'00" East, 10.00 feet;
- 15) North 07°44'00" West, 50.00 feet to the Northerly line of Jill Drive; thence North 82°16'00" East 140.30 feet;

thence 282.20 feet along the arc of a curve to the right having a central angle of 07°31'13" and a radius of 2,150.00 feet, (chord bears North 86°01'37" East, 281.99 feet);

thence North 89°47'13" East, 766.10 feet;

thence North 00°16'35" West, 998.72 feet to the North line of said Southeast one-quarter;

thence North 89°56'27" East, 1,434.18 feet to the East one-quarter corner of said Section 22;

thence South 00°16'35" East, along the East line of said Southeast one-quarter, 2,648.71 feet to the POINT OF BEGINNING.

Reference is made to Record of Survey for Southern Nevada Culinary and Bartenders Pension Trust, recorded December 15, 1989, in Book 1289, Page 1634, Document No. 216551.

TOGETHER with a 30 foot strip of land for access and drainage purposes as described in Deed executed by Southern Nevada Culinary and Bartenders Pension Trust, recorded December 15, 1989, in Book 1289, Page 1609, Document No. 216549.

APN 1220-22-000-005

"IN COMPLIANCE WITH NEVADA REVISED STATUE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JULY 1, 2002, BOOK 0702, PAGE 008, AS FILE NO. 546096, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 3:

The Southeast 1/4 of the Southwest 1/4 of Section 22, Township 12 North, Range 20 East, M.D.B.&M.

EXCEPTING THEREFROM: That portion of said land lying within Gardnerville Ranchos Unit No. 7 filed in the Office of the County Recorder of Douglas County, Nevada, March 27, 1974, as File No. 72456.

APN 1220-22-401-003

PARCEL 4:

The East 1/2 of Northeast 1/4 of Section 28; the Northwest 1/4 of Northwest 1/4 of Section 27; all in Township 12 North, Range 20 East, M.D.B.&M., according to the official map thereof.

EXCEPTING THEREFROM: All that portion of said lands lying within Gardnerville Ranchos Unit No. 7 filed in the Office of the County Recorder of Douglas County, Nevada, March 27, 1974, as File No. 72456.

Reference is made to Record of Survey for Southern Nevada Culinary and Bartenders Pension Trust, Recorded December 15, 1989, in Book 1289, Page 1634, Document No. 216551.

APN 1220-28-000-009

"IN COMPLIANCE WITH NEVADA REVISED STATUE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JUNE 28, 2002, BOOK 0602, PAGE 10559, AS FILE NO. 546086, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 5:

A Parcel of land located within the Northeast one-quarter of Section 22 and the West, one-half of the West one-half of Section 23 Township 12 North, Range 20 East, M.D.B.&M., Douglas County, Nevada, being more particularly described as follows:

BEGINNING at the North one-quarter corner of said Section 22, being a 2 inch iron pipe in concrete marked RLS 1635, as shown on Record of Survey Map, Document No. 70249 of the Douglas County Recorder's Office; thence South 89°55'57" East, 1326.99 feet to a 2 inch iron pipe marked Southwest corner, Southeast 1/4, Southeast 1/4, Section 15 RLS 1688; thence South 00°11'14" East, 30.00 feet; thence South 89°56'10" East, along the Southerly line of a 30 foot wide roadway, 1326.80 feet to a point on the East line of said Section 22; thence South 00°05'56" East, along said East line, 1293.37 feet to the Northwest corner of the Southwest one-quarter of the Northwest one-quarter of said Section 23, being a 5/8 inch rebar tagged RLS 3579; thence South 89°53'01" East, 1329.96 feet to a 2 inch iron pipe marked Northwest Corner, Southeast 1/4, Northwest 1/4, Section 23, RLS 1688; thence South 00°02'20" East, 1321.90 feet to a 2 inch iron pipe marked Southeast corner, Southwest 1/4, Northwest 1/4, Section 23, RLS 1688; thence South 00°07'49" East, 1323.82 feet to a 2 inch iron pipe marked Southwest corner, Northeast 1/4, Southwest 1/4, Section 23, RLS 1688; thence North 89°57'40" West, 1325.19 feet to the Southwest corner of the Northwest one-quarter of the Southwest one-quarter of said Section 23, being a 5/8 inch rebar tagged RLS 3579; thence North 00°16'35" West 1324.36 feet to the West one-quarter corner of said Section 23, being a 60-D spike in a rock mound; thence South 89°56'27" West, along the South line of the Northeast one-quarter of said Section 22, 1434.18 feet; thence North 00°16'35" feet, 210.00 feet; thence South 89°56'27" West, 1211.36 feet to a point on the West line of the Northeast one-quarter of said Section 22; thence North 00°16'51" West, along said West line, 1116.28 feet to a 5/8 inch rebar tagged RLS 3907; thence North 00°16'32" West, along said West line, 1326.07 feet to the POINT

OF BEGINNING.

Reference is made as Lot 1 on that Record of Survey for Southern Nevada Culinary and Bartenders Pension Trust, Recorded December 15, 1989, in Book 1289, Page 1634, Document No. 216551.

APN 1220-22-000-006

"IN COMPLIANCE WITH NEVADA REVISED STATUE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JUNE 28, 2002, BOOK 0602, PAGE 10559, AS FILE NO. 546086, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

COPY

SCHEDULE C - DEED OF TRUST

COPY

The undersigned hereby affirm that this document submitted for recording does not contain personal information of any person or persons.

KAREN ELLISON, RECORDER

A.P.N. 1220-15-801-001  
1220-15-701-001  
1220-15-701-003  
1220-22-000-005  
1220-22-401-003  
1220-28-000-009  
1220-22-000-006

✓ When Recorded Return to:  
Scott J. Heaton  
Heaton, Ltd.  
P.O. Box 605  
Carson City, NV 89702

DEED OF TRUST

THIS DEED OF TRUST, made this 9th day of February, 2015, by and between RANCHOS, LLC, a Nevada Limited Liability Company, hereinafter called "TRUSTOR" and whose address is Post Office Box 1724, Carson City, Nevada 89702, and NORTHERN NEVADA TITLE COMPANY, hereinafter called "TRUSTEES", and JOHN SERPA, JR., hereinafter called "BENEFICIARY",

W I T N E S S E T H:

That Trustor irrevocably grants, transfers and assigns to Trustee in trust, with power of sale, that property in County of Douglas, State of Nevada, described as follows to wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

Together with 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 \$1,250,000.00 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 by reference or contained therein.

TO HAVE AND TO HOLD the said premises, together with all the improvements, tenements, hereditaments, and appurtenances thereto belonging, unto the said Trustee, and it its successors and assigns, subject only to existing encumbrances of record.

IN AND UPON THE USES AND TRUST, HEREINAFTER DECLARED, that is to say:

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; not 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 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 (10) 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 in 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 five percent (5%) per annum.



6. That if the Trustor shall sell, convey or alienate said property, or any part thereof, or shall enter into any agreement for the same, or any interest therein, or shall be divested of title in any manner or way, whether voluntary or involuntary, any indebtedness or obligation secured hereby, irrespective of the maturity dates expressed in any notice evidencing the same, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. In the event the Trustor sells or otherwise disposes of the property the subject hereof and Beneficiary does not accelerate the indebtedness secured hereby, the new owner shall assume all obligations of this Deed of Trust and the obligations which it secures.

7. 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.

8. 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.

9. The following covenants, Nos. 1, 2 (amount of insurance on improvements shall be at least the sum of \$0), 3, 4 (interest 5%), 5, 6, 7 (counsel fees 5%), 8 and 9 of Nevada Revised Statutes 107.030 are hereby adopted and made a part of this Deed of Trust.

10. The covenants and conditions herein contained shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties hereto.

11. The Trusts created herein are irrevocable.

The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to it at its address hereinbefore set forth.

IN WITNESS WHEREOF, the Trustor has hereunto caused its execution of this Deed of Trust the day and year first above written.

RANCHOS, LLC, a Nevada Limited Liability Company

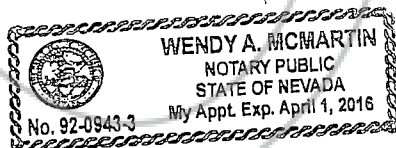
By: DGD DEVELOPMENT GENERAL PARTNERSHIP, a Nevada General Partnership

By: SSS Investments, LLC, a Nevada Limited Liability Company  
Its: General Partner

By: *[Signature]*  
Keith Serpa, Manager

STATE OF NEVADA            )  
  ) ss:  
CARSON CITY                 )

On February 23, 2015, personally appeared before me, a Notary Public, KEITH SERPA, Manager of SSS Investments, LLC, and in his capacity as such, acknowledged that he executed the foregoing instrument.



*Wendy A. McMARTIN*  
Notary Public

## LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Douglas, described as follows:

### PARCEL 1:

The West 1/2 of the Southeast 1/4 of Section 15, Township 12 North, Range 20 East, M.D.B.&M., according to the official map thereof.

Together with the following property as described in document recorded August 21, 1985, Book 885, Page 2172, as Document No. 121873.

Commencing at the center 1/4 corner of Section 15, Township 12 North, Range 20 East, M.D.B.&M., as shown on the Official Plat of the Gardnerville Ranchos Subdivision, Unit #4 and recorded as Document No. 35915, Douglas County, Nevada, Recorder's Office; thence along the Easterly right-of-way of Dresslerville Road as described in the Deed of Dedication of Dresslerville Road and recorded as Document No. 19840, Douglas County, Nevada, Recorder's Office, South 00°00'30" West, 823.87 feet to the Point of Beginning; thence continuing South 00°00'30" West, 140.23 feet; thence along the arc of a curve to the left, tangent to the preceding course and having a delta angle of 90°05'30", radius of 120.00 feet and an arc length of 188.69 feet; thence North 89°55'00" East, 140.23 feet; thence along the arc of a curve to the right, tangent to the back bearing of the preceding course and having a delta angle of 90°05'30" radius of 260.00 feet and an arc length of 408.82 feet to the Point of Beginning.

EXCEPTING THEREFROM: The East 1/2 of the Northeast 1/4 of the Southwest 1/4 of the Southeast 1/4 of said Section 15, Township 12 North, Range 20 East, M.D.B.&M.

FURTHER EXCEPTING THEREFROM: That portion beginning 660 feet South of a point which is the center of the Southeast 1/4 of Section 15, Township 12 North, Range 20 East; thence 132 feet South; thence 330 feet West; thence 132 feet North; thence 330 feet East to place of beginning.

FURTHER EXCEPTING THEREFROM: That portion described in the deeds of dedication to Douglas County, recorded April 6, 1962, as File No. 19840, Official Records, and recorded April 6, 1962, as File No. 19841, Official Records.

FURTHER EXCEPTING THEREFROM: That portion of said land described in document recorded August 21, 1985, in Book 885, Page 2167, Document No. 121872, further described as follows:

Commencing at the center 1/4 corner of Section 15, Township 12 North, Range 20 East, M.D.B.&M., as shown on the Official Plat of the Gardnerville Ranchos Subdivision, Unit 4 and recorded as Document No. 35915, Douglas County, Nevada, Recorder's Office; thence along the Easterly right-of-way of said document, South 00°01'16" West, 1,051.67 feet to the Point of Beginning; thence continuing South 00°01'16" West, 161.53 feet; thence along the arc of a curve to the right, tangent to the back bearing of the preceding course, having a delta angle of 89°53'44", a radius of 40.00 feet and an arc length of 62.76 feet; thence North 89°55'00" East, 220.88 feet; thence along the arc of a curve to the right, tangent to the back bearing of the preceding course, having a delta angle of 50°02'00", radius of 340.00 feet and an arc length of 296.90 feet to the Point of Beginning.

Reference to said premises is made on that certain Record of Survey recorded December 15, 1989 in Book 1289 of Official Records, at Page 1634, as Document No. 216551.

APN's 1220-15-801-001, 1220-15-701-001 and 1220-15-701-003

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JUNE 28, 2002, BOOK 0602, PAGE 10571, AS FILE NO. 546092, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 2:

A parcel of land located within the Southeast one-quarter of Section 22, Township 12 North, Range 20 East, M.D.B.&M., Douglas County, Nevada being more particularly described as follows:

BEGINNING at the Southeast corner of said Section 22, being a 5/8 inch rebar tagged RLS 3579, as shown on Record of Survey Map, Document No. 70249 of the Douglas County Recorder's Office; thence South 89°47'13" West 2,646.11 feet to the South 1/4 corner of said Section 22, being a 5/8 inch rebar in a rock mound;

thence North 00°15'52" West, along the West line of said Southeast one-quarter, 798.72 feet to a point on the Southerly line of Lot 962 of Gardnerville Ranchos Subdivision Unit No. 7;

thence North 77°06'00" East, along said Southerly line 17.34 feet to the Southwest corner of Lot 961 of said Subdivision;

thence North 79°54'00" East, along the Southerly line of said Lot 961, 66.94 feet;

thence along the Easterly line of said subdivision, the following 15 courses:

- 1) North 08°42'00" West 10.00 feet;
- 2) 28.80 feet along the arc of a curve to the right, having a central angle of 01°06'00" and a radius of 1,500.00 feet, (chord bears North 81°51'00" East, 28.80 feet);
- 3) North 07°36'00" West, 60.00 feet;
- 4) 7.26 feet along the arc of a curve to the left, having a central angle of 00°16'00" and a radius of 1,560.00 feet, (chord bears South 82°16'00" West, 7.26 feet);
- 5) North 07°52'00" West, 125.58 feet;
- 6) South 80°14'00" West, 21.58 feet;
- 7) North 08°36'00" West, 130.00 feet;
- 8) 31.68 feet along the arc of a curve to the right, having a central angle of 01°00'00" and a radius of 1,815.00 feet, (chord bears North 81°54'00" East, 31.68 feet);
- 9) North 07°36'00" West, 50.00 feet;
- 10) 17.36 feet along the arc of a curve to the right, having a central angle of 00°32'00" and a radius of 1,865.00 feet, (chord bears North 82°40'00" East, 17.36 feet);
- 11) North 07°04'00" West, 128.67 feet;
- 12) South 82°16'00" West, 9.33 feet;
- 13) North 07°44'00" West, 130.00 feet;
- 14) North 82°16'00" East, 10.00 feet;
- 15) North 07°44'00" West, 50.00 feet to the Northerly line of Jill Drive; thence North 82°16'00" East 140.30 feet;

thence 282.20 feet along the arc of a curve to the right having a central angle of 07°31'13" and a radius of 2,150.00 feet, (chord bears North 86°01'37" East, 281.99 feet);

thence North 89°47'13" East, 766.10 feet;

thence North 00°16'35" West, 998.72 feet to the North line of said Southeast one-quarter;

thence North 89°56'27" East, 1,434.18 feet to the East one-quarter corner of said Section 22;

thence South 00°16'35" East, along the East line of said Southeast one-quarter, 2,648.71 feet to the POINT OF BEGINNING.

Reference is made to Record of Survey for Southern Nevada Culinary and Bartenders Pension Trust, recorded December 15, 1989, in Book 1289, Page 1634, Document No. 216551.

TOGETHER with a 30 foot strip of land for access and drainage purposes as described in Deed executed by Southern Nevada Culinary and Bartenders Pension Trust, recorded December 15, 1989, in Book 1289, Page 1609, Document No. 216549.

APN 1220-22-000-005

"IN COMPLIANCE WITH NEVADA REVISED STATUE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JULY 1, 2002, BOOK 0702, PAGE 008, AS FILE NO. 546096, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 3:

The Southeast 1/4 of the Southwest 1/4 of Section 22, Township 12 North, Range 20 East, M.D.B.&M.

EXCEPTING THEREFROM: That portion of said land lying within Gardnerville Ranchos Unit No. 7 filed in the Office of the County Recorder of Douglas County, Nevada, March 27, 1974, as File No. 72456.

APN 1220-22-401-003

PARCEL 4:

The East 1/2 of Northeast 1/4 of Section 28; the Northwest 1/4 of Northwest 1/4 of Section 27; all in Township 12 North, Range 20 East, M.D.B.&M., according to the official map thereof.

EXCEPTING THEREFROM: All that portion of said lands lying within Gardnerville Ranchos Unit No. 7 filed in the Office of the County Recorder of Douglas County, Nevada, March 27, 1974, as File No. 72456.

Reference is made to Record of Survey for Southern Nevada Culinary and Bartenders Pension Trust, Recorded December 15, 1989, in Book 1289, Page 1634, Document No. 216551.

APN 1220-28-000-009

"IN COMPLIANCE WITH NEVADA REVISED STATUE 111.312, THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JUNE 28, 2002, BOOK 0602, PAGE 10559, AS FILE NO. 546086, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

PARCEL 5:

A Parcel of land located within the Northeast one-quarter of Section 22 and the West, one-half of the West one-half of Section 23 Township 12 North, Range 20 East, M.D.B.&M., Douglas County, Nevada, being more particularly described as follows:

BEGINNING at the North one-quarter corner of said Section 22, being a 2 inch iron pipe in concrete marked RLS 1635, as shown on Record of Survey Map, Document No. 70249 of the Douglas County Recorder's Office; thence South 89°55'57" East, 1326.99 feet to a 2 inch iron pipe marked Southwest corner, Southeast 1/4, Southeast 1/4, Section 15 RLS 1688; thence South 00°11'14" East, 30.00 feet; thence South 89°56'10" East, along the Southerly line of a 30 foot wide roadway, 1326.80 feet to a point on the East line of said Section 22; thence South 00°05'56" East, along said East line, 1293.37 feet to the Northwest corner of the Southwest one-quarter of the Northwest one-quarter of said Section 23, being a 5/8 inch rebar tagged RLS 3579; thence South 89°53'01" East, 1329.96 feet to a 2 inch iron pipe marked Northwest Corner, Southeast 1/4, Northwest 1/4, Section 23, RLS 1688; thence South 00°02'20" East, 1321.90 feet to a 2 inch iron pipe marked Southeast corner, Southwest 1/4, Northwest 1/4, Section 23, RLS 1688; thence South 00°07'49" East, 1323.82 feet to a 2 inch iron pipe marked Southwest corner, Northeast 1/4, Southwest 1/4, Section 23, RLS 1688; thence North 89°57'40" West, 1325.19 feet to the Southwest corner of the Northwest one-quarter of the Southwest one-quarter of said Section 23, being a 5/8 inch rebar tagged RLS 3579; thence North 00°16'35" West 1324.36 feet to the West one-quarter corner of said Section 23, being a 60-D spike in a rock mound; thence South 89°56'27" West, along the South line of the Northeast one-quarter of said Section 22, 1434.18 feet; thence North 00°16'35" West, 210.00 feet; thence South 89°56'27" West, 1211.36 feet to a point on the West line of the Northeast one-quarter of said Section 22; thence North 00°16'51" West, along said West line, 1116.28 feet to a 5/8 inch rebar tagged RLS 3907; thence North 00°16'32" West, along said West line, 1326.07 feet to the POINT

OF BEGINNING.

Reference is made as Lot 1 on that Record of Survey for Southern Nevada Culinary and Bartenders Pension Trust, Recorded December 15, 1989, in Book 1289, Page 1634, Document No. 216551.

APN 1220-22-000-006

"IN COMPLIANCE WITH NEVADA REVISED STATUTE 111.312; THE HEREIN ABOVE LEGAL DESCRIPTION WAS TAKEN FROM INSTRUMENT RECORDED JUNE 28, 2002, BOOK 0602, PAGE 10559, AS FILE NO. 546086, RECORDED IN THE OFFICIAL RECORDS OF DOUGLAS COUNTY, STATE OF NEVADA."

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