

DOUGLAS COUNTY, NV

2016-889814

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\$33.00 Pgs=20

10/31/2016 09:20 AM

ETRCO, LLC

KAREN ELLISON, RECORDER

APN# : 1220-11-001-050

Recording Requested By:

Western Title Company, Inc.

Escrow No.: 041337-TEA

When Recorded Mail To:

Caret Industries, Inc.

722 Valley Vista Drive.

Camarillo CA

93010

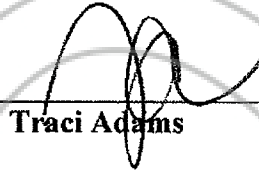
Mail Tax Statements to: (deeds only)

(space above for Recorder's use only)

I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons.

(Per NRS 239B.030)

Signature _____



Traci Adams

Escrow Officer

Deed of Trust

This page added to provide additional information required by NRS 111.312
(additional recording fee applies)

APN: 1220-11-001-050

Recording Requested By and
When Recorded Return to:

Caret Industries, Inc.
722 Valley Vista Drive
Camarillo, California 93010

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

AFFIRMATION PURSUANT TO NRS 239.030(4)

The undersigned hereby affirms that the below document, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons.

**DEED OF TRUST, SECURITY AGREEMENT,
FIXTURE FILING AND
ASSIGNMENT OF LEASES AND RENTS**

THIS DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FILING AND ASSIGNMENT OF LEASES AND RENTS (the "Deed of Trust"), made this 24 day of October, 2016, between CLINT MARTIN, an individual dealing with his sole and separate property ("Grantor"), whose address is 985 Desert Dr. Carson City NV 89705; TICOR TITLE OF NEVADA, INC. ("Trustee"), whose address is 5441 Kietzke Lane, Suite 100, Reno, Nevada 89511; and CARET INDUSTRIES, INC., a California corporation, (together with its successors and assigns, "Beneficiary"), whose address is 7335 Franktown Rd., Washoe Valley, NV 89704

GRANTING CLAUSES

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness recited and the trust created in this Deed of Trust, the receipt of which is hereby acknowledged:

1. Creation of Trust Estate. Grantor irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the provisions of this Deed of Trust, all of Grantor's right, title and interest in and to the real property located at 1690 Timber Court, City of Gardnerville, County of Douglas, State of Nevada, more particularly described in Exhibit A attached hereto and made a part hereof (the "Property"); and

TOGETHER WITH all existing and future buildings, structures, improvements, fixtures, equipment, appliances, furnishings and other articles (whether constituting real, personal or mixed property) located on, attached to or used or acquired for use in connection with the Property, including, but not limited to, heating/ventilation/air

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conditions equipment, telephone and other communication systems, piping and plumbing fixtures, ranges, cooking apparatus and mechanical kitchen equipment, refrigerators, laundry equipment, fire extinguishing apparatus and alarm systems, gas and electric fixtures, irrigation equipment, carpeting, underpadding, partitions, mantles, built-in mirrors, shelves, lockers, cabinets, wall safes, window shades, blinds, draperies, screens, storm sash, awnings, built-in entertainment and recreational equipment, and shrubbery and plants (the "Improvements"); and together with all additions, accessions, replacements, substitutions and proceeds to or of the Improvements; but excepting from the foregoing all articles of personal property and trade fixtures belonging to lessees or other occupants of the Property and Improvements. All Improvements are deemed to be part of, and not severable without material injury to, the Property;

TOGETHER WITH all leasehold estate, right, title and interest of Grantor in and to all existing and future leases and agreements for use and occupancy of the Property and/or Improvements, whether written or oral, including all extensions, renewals and subleases and all guaranties of lessees' performance under the leases and agreements (collectively, the "Leases");

TOGETHER WITH all present and future rents, issues, profits, income and other benefits derived from the Leases, the Property and/or the Improvements (in any form, including cash, notes, contracts, contract rights, chattel paper, instruments or documents), including: all security deposits; minimum, advance, additional and deficiency rents; maintenance, tax, insurance and other property expense contributions or payments; liquidated damages following default in any Lease including all payments resulting from the rejection of any Lease in a bankruptcy or other insolvency proceeding; all proceeds payable to Grantor under any policy of insurance covering loss of rents; all proceeds payable as a result of a lessee's exercise of an option to purchase the Property and/or Improvements; and all other rights and claims which Grantor may have against any lessee or occupant of the Property and/or Improvements (collectively, the "Rents"), subject to the right, power and authority of Grantor to collect and apply the Rents as provided in this Deed of Trust;

TOGETHER WITH all easements, rights-of-way and means of access and all other tenements, privileges, hereditaments and appurtenances pertaining to the Property and/or Improvements;

TOGETHER WITH all present and future right, title and interest of Grantor in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Property;

TOGETHER WITH the rights granted to Beneficiary under Paragraph 1.14 with respect to insurance and condemnation proceeds; and

TOGETHER WITH all other present and future estate, rights, title, interests, or claims, both in law and in equity, of Grantor in the Property and/or Improvements.

2. Security Agreement. This Deed of Trust constitutes a security agreement under the Uniform Commercial Code-Secured Transactions, as enacted by the State of Nevada ("UCC") between Grantor as debtor and Beneficiary as secured party. Grantor grants a security interest to Beneficiary in any of the Trust Estate which is personal property and also grants a security interest in the following existing and future personal property of Grantor (all of the personal property subject to the security interest is referred to in this Deed of Trust as the "Collateral"):

(a) All goods including all furniture, furnishings, appliances, equipment and other tangible personal property (whether or not constituting fixtures under the UCC) located on the Trust Estate, or used or intended to be used in connection with the Trust Estate wherever actually located, or purchased with the proceeds of the Note (as defined below), and all rights of Grantor as lessee of any property described in this granting clause 2 and in the second (2nd) paragraph of granting clause 1 above; but excepting from the foregoing all goods belonging to lessees or other occupants (excluding Grantor) of the Trust Estate;

(b) All books and records used or useful in the operation of the Trust Estate including rent rolls, rent schedules and any originals or copies of written Leases;

(c) All returned premiums or other payments on any insurance policies pertaining to the Trust Estate or Collateral and any refunds or rebates of Impositions (as defined below) on the Trust Estate or Collateral;

(d) All general intangibles not listed or described elsewhere in this granting clause 2 which relate to the development or operation of the Trust Estate; and

(e) All additions and accessions to, replacements and substitutions for and proceeds and products of the Collateral.

Beneficiary will have all rights afforded by the UCC with respect to the Collateral in addition to, but not in limitation of, the other rights afforded Beneficiary by this Deed of Trust.

OBLIGATIONS SECURED

THIS DEED OF TRUST IS GIVEN FOR THE PURPOSE OF SECURING:

A. Payment of indebtedness in the original principal amount of ONE HUNDRED SIXTY THOUSAND and NO/100 DOLLARS (\$160,000.00), with interest thereon, evidenced by that certain PROMISSORY NOTE of even date herewith executed by Grantor, payable to Beneficiary or order, and all renewals, extensions, modifications, amendments and substitutions thereof (the "Note"). BY THIS REFERENCE THE NOTE IS INCORPORATED IN AND MADE A PART OF THIS DEED OF TRUST AS THOUGH SET FORTH IN FULL. A copy of the Note may be obtained from Beneficiary at the address stated at the beginning of this Deed of Trust.

B. Payment of all sums advanced or paid out by Beneficiary under any provision of this Deed of Trust or the Note or to protect the Trust Estate or the Collateral or to enforce Beneficiary's rights under any Loan Document (defined below) with interest on such sums at the highest applicable rate as provided in the Loan Documents.

C. Payment of all other sums, with interest thereon, which may be loaned by Beneficiary to Grantor when the promissory note or other writing evidencing the loan recites that it is secured by this Deed of Trust.

D. Performance by Grantor of the provisions of this Deed of Trust and the Note.

The indebtedness, obligations and liabilities of Grantor described in paragraphs A through D above are referred to as the "Obligations." This Deed of Trust and the Note, and all other instruments or documents executed in connection with, or given to evidence or further secure the payment and performance of, the Obligations (excluding any payment guaranties separate from the Note) are referred to as the "Loan Documents."

ARTICLE 1 REPRESENTATIONS, WARRANTIES AND COVENANTS OF GRANTOR

GRANTOR REPRESENTS, WARRANTS, COVENANTS AND AGREES TO AND WITH BENEFICIARY AS FOLLOWS:

1.01 Payment and Performance. Grantor will pay or perform the Obligations and all other sums required to be paid or actions required to be performed under the Loan Documents when due without setoff or deduction and will strictly comply with all the provisions of the Loan Documents.

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1.02 Waiver of Offset. Grantor will pay all sums due under the Obligations without notice, demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and except as expressly provided in this Deed of Trust or the Note, the Obligations will not be released, discharged or otherwise affected by reason of: (i) any damage to or destruction, impairment or taking of the Trust Estate or Collateral; (ii) any restriction of or interference with any use of the Trust Estate or Collateral; (iii) any title defect or encumbrance or any eviction from all or any part of the Trust Estate by title paramount or otherwise; or (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Beneficiary; whether or not Grantor has notice or knowledge of any of the foregoing.

1.03 Warranties of Title. Grantor has good, marketable fee simple absolute title to the Trust Estate and good, marketable absolute title to the Collateral. Grantor has the right and authority to convey the Trust Estate and the Collateral as security for the Obligations. Grantor will warrant and defend the title to, and the interest of Beneficiary in, the Trust Estate and the Collateral.

1.04 Liabilities and Liens.

(a) **Discharge of Liabilities.** Grantor will pay, bond or otherwise discharge, from time to time when the same become due, all claims and demands of mechanics, materialmen, laborers and others which if unpaid might result in or permit the creation of a lien on the Trust Estate or Collateral.

(b) **Prohibited Liens.** Grantor will not cause or permit any governmental or statutory liens to be filed, or allow any such lien to remain, against the Trust Estate or Collateral and will not create, place, permit to be created or placed or allow to remain any deed of trust, mortgage, security interest or other encumbrance against or covering the Trust Estate or Collateral, other than the title exceptions of record prior to this Deed of Trust ("Exceptions"), the lien of current taxes and assessments, and the liens created by the Loan Documents. Grantor will pay and promptly discharge all prohibited liens, encumbrances and charges upon the Trust Estate or Collateral.

(c) **Right to Contest Liens.** Grantor will have the right to contest in good faith by an appropriate legal or administrative proceeding the validity of any prohibited lien, encumbrance or charge so long as (i) no default exists under the Obligations; (ii) Grantor first deposits with Beneficiary a bond or other security satisfactory to Beneficiary in the amount reasonably required by Beneficiary, but not more than one and one-half (1-1/2) (i.e., 150%) of the amount of the claim; (iii) Grantor immediately commences its contest of such lien, encumbrance or charge and continuously pursues the contest in good faith and with due diligence; (iv) foreclosure of the lien, encumbrance or charge is stayed; and (v) Grantor pays any judgment rendered for the lien claimant or other third party within ten (10) days after the entry of the judgment. If the contested item is a mechanic's or materialmen's lien, Grantor will also furnish Beneficiary with an endorsement to its title insurance policy which insures the priority of this Deed of Trust over the lien being contested. Grantor will discharge or elect to contest and post an appropriate bond or other security within twenty (20) days of written demand by Beneficiary.

1.05 Impairment of the Trust Estate. Grantor will not, without the prior written consent of Beneficiary, change the general nature of the use of the Trust Estate or Collateral, initiate or acquiesce in any change in any public or private restrictions affecting the Trust Estate (including a zoning reclassification), or take or permit any action, which would impair the Trust Estate or Collateral or Beneficiary's lien on the Trust Estate or security interest in the Collateral.

1.06 Actions Affecting Trust Estate or Collateral. Grantor will appear in and defend any action or proceeding which may affect the Trust Estate or Collateral, the value, enforceability or priority of this Deed of Trust, or the rights or powers of Beneficiary or Trustee (an "action"). Beneficiary or Trustee may appear in and prosecute or defend any action brought by Grantor or a third party, and Beneficiary may in good faith elect to commence and prosecute an action which appears necessary to preserve or protect the Trust Estate or Collateral or the lien and/or security interest created by this Deed of Trust. The indemnity of Section 1.21 applies to participation in any action by Beneficiary and/or Grantor.

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1.07 Maintenance; Alterations. Grantor will maintain the Trust Estate and Collateral in good condition and repair and will not commit or permit any waste or deterioration of the Trust Estate or Collateral. None of the Improvements will be removed, demolished or substantially altered (except such alterations as may be required by laws, ordinances or regulations) without the prior written consent of Beneficiary, nor will any article of Collateral be removed without like consent unless actually replaced by an article of equal suitability.

1.08 Construction and Repairs. Grantor will promptly and in a good workmanlike manner complete any Improvements which may be constructed on the Property and repair and restore any Improvements which may be damaged or destroyed. Before construction, repair or restoration of any Improvement, Grantor will submit the plans and specifications to Beneficiary for approval and will furnish evidence of sufficient funds to complete the work.

1.09 Compliance with Laws. Grantor will comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Trust Estate and Collateral and will not commit or permit any act upon or concerning the Trust Estate or Collateral in violation of the same. If a law, ordinance or regulation requires any correction, alteration, improvement or retrofitting of the Trust Estate or Collateral, Grantor will promptly undertake the required actions and complete such actions with due diligence.

1.10 Environmental Matters.

(a) No hazardous or toxic wastes or substances are being stored on the Trust Estate or any adjacent property nor have any such wastes or substances been stored or used on the Trust Estate or any adjacent property prior to Grantor's ownership, possession or control of the Trust Estate. Grantor will provide written notice to Beneficiary immediately upon Grantor becoming aware that the Trust Estate or any adjacent property is being or has been contaminated with hazardous or toxic wastes or substances. Grantor will not cause or permit any activities on the Trust Estate which could result, directly or indirectly, in the Trust Estate or any other property becoming contaminated with hazardous or toxic wastes or substances. For purposes of this Deed of Trust, the term "**hazardous or toxic wastes or substances**" means any substance or material defined or designated as a hazardous, toxic or radioactive waste, material or substance or other similar term by any existing or future applicable federal, state or local statute, regulation or ordinance.

(b) Grantor will promptly comply with all statutes, regulations and ordinances, and with all applicable orders, decrees or judgments of governmental authorities or courts relating to the use, collection, storage, treatment, control, transportation, disposal, removal or remediation of hazardous or toxic wastes or substances in, on, under, to or from the Trust Estate. Should an Event of Default (as defined in Section 3.01) occur, Beneficiary may enter upon the Trust Estate and take such actions and incur such costs and expenses to effect such compliance as it deems advisable to protect its interest as Beneficiary. Whether or not Grantor has actual knowledge of the existence of hazardous or toxic wastes or substances in, on or under the Trust Estate or any adjacent property as of the date of this Deed of Trust, Grantor will reimburse Beneficiary on demand for the full amount of all costs and expenses incurred by Beneficiary in connection with such compliance activities occurring prior to Beneficiary acquiring title to the Trust Estate through foreclosure or deed in lieu of foreclosure.

(c) Trustor shall indemnify, hold harmless and defend (by counsel of Beneficiary's choice) Beneficiary, its employees, agents, successors and assigns from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including but not limited to attorneys' fees and expenses), arising directly or indirectly, in whole or in part, out of (a) the presence on or under the Property of any hazardous or toxic wastes or substances, or any releases or discharges thereof on, under or from the Property, or (b) any activity carried on or undertaken on or off the Property during the term of the Note secured hereby, and whether by Trustor or any employees, agents, contractors or subcontractors of Trustor or any third persons occupying or present on the Property during the term of the Note hereby secured, in connection with the handling, treatment, removal, storage, decontamination, clean-up, transport

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or disposal of any hazardous or toxic wastes or substances located or present on or under the Property. The foregoing indemnity shall further apply to any residual contamination on or under the Property, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, storage, transport or disposal of any such Hazardous Substances, and irrespective of whether any of such activities are undertaken in accordance with applicable laws, regulations, codes and ordinances. Trustor hereby acknowledges and agrees that, notwithstanding any other provision of this Deed of Trust to the contrary, the obligations of Trustor under this Section 1.11(c) shall be unlimited personal obligations of Trustor, shall not be secured by this Deed of Trust and shall survive any foreclosure under this Deed of Trust, any transfer in lieu thereof, and any satisfaction of the obligations of Trustor in connection with the Note hereby secured.

1.11 Inspections. Beneficiary, its employees or agents may inspect the Trust Estate at reasonable times after reasonable notice and, if an Event of Default has occurred, are authorized to enter any part of the Trust Estate at any time without notice for the purpose of performing any of the acts Beneficiary is authorized to perform under the Loan Documents.

1.12 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Deed of Trust or other transfer of title to the Trust Estate or Collateral in satisfaction of the Obligations, all right, title and interest of Grantor in any insurance policies in force will pass to and inure to the benefit of the successor-in-interest to Grantor or the purchaser or grantee of the Trust Estate or Collateral.

1.13 Insurance and Condemnation Proceeds. Trustor agrees to keep all Improvements insured by policies of insurance providing coverage against loss by fire, earthquake, flood and/or hazard, which policies shall have extended coverage endorsements and shall be issued by companies authorized to issue such policies in the State of Nevada. Said insurance shall provide coverage in such sum or sums as shall equal the total indebtedness secured by this Deed of Trust, or the full replacement value of such insured Improvements, whichever is less (such policies shall not contain a co-insurance provision whereby Trustor becomes a co-insurer in the event of loss). Said insurance shall be payable to Beneficiary to the amount of the unsatisfied obligation to Beneficiary hereby secured. Grantor shall furnish Beneficiary written evidence of payment of insurance premiums within five (5) days of the due date for the same. The policy or policies of said insurance shall be delivered to Beneficiary, as further security, and in default thereof, Beneficiary may procure such insurance, and expend such sum or sums therefore as Beneficiary shall deem necessary. If the Trust Estate or Collateral is taken, impaired or damaged because of any public improvement or condemnation proceeding or any proceeding or purchase in lieu thereof, or is damaged by fire, earthquake, or any other cause, Beneficiary will be entitled to all compensation, awards, proceeds, and other payments or relief for such taking, impairment or damage, including the proceeds of fire and other insurance policies insuring the Trust Estate or Collateral and any awards for severance damages or resulting from a change of grade of streets (collectively, "proceeds"). Beneficiary may commence and/or appear in and prosecute and/or defend in its own name any action or proceeding, or make a compromise or settlement, in connection with such taking, impairment or damage. All rights of action and proceeds pertaining to such taking, impairment or damage are assigned to Beneficiary, who may after deducting from the foregoing all its expenses, including attorneys' fees:

- (a) Apply all or any part of the proceeds against the Obligations whether or not any sums are actually due without affecting the due dates or amount of payments later due under the Note; or
- (b) Release all or any part of the proceeds to Grantor; or
- (c) Permit all or any part of the proceeds to be used for repair and restoration of the Improvements on such conditions as Beneficiary may impose including evidence of sufficient funds to complete the work, approval of the plans and specifications and periodic disbursement of the proceeds during the course of repair and restoration. Grantor will execute such further assignments of any rights of action and proceeds as Beneficiary or Trustee may require.

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1.14 Waiver of Recovery. Grantor waives any and all right to claim or recover against Beneficiary, its employees and agents, for loss of or damage to Grantor, the Trust Estate, Grantor's property or the property of others under Grantor's control from any cause insured against or required to be insured against by this Deed of Trust.

1.15 Taxes and Impositions.

(a) **Payment.** Grantor will pay, when due and prior to delinquency, all real property taxes and assessments, general and special, and all other governmental, quasi-governmental or private taxes, assessments, levies, fees or charges which are assessed, imposed or may become a lien upon the Trust Estate or Collateral or which arise with respect to the occupancy, use, possession or leasing of the Trust Estate or Collateral, such as maintenance charges property owners' or tenants' association charges, or levies or charges resulting from covenants, conditions and restrictions, reciprocal easement agreements or similar instruments affecting the Trust Estate (collectively, the "Impositions"). Grantor will also pay any penalty, interest or other cost imposed or charged for non-payment of Impositions. Grantor shall furnish Beneficiary written evidence of payment of each Imposition within five (5) days of each due date.

(b) **New Impositions.** If there is ever assessed or imposed (i) a tax or assessment instead of or in addition to the Impositions, or (ii) a license fee, tax or assessment on Beneficiary because of this Deed of Trust or which is based in whole or in part upon the amount of the outstanding Obligations, then all such taxes, assessments or fees will be included in the Impositions, and Grantor will pay such new Impositions as provided in paragraph (a) to the extent it is lawful for Grantor to pay them. If it is not lawful for Grantor to pay any new Imposition, or if payment by Grantor would render the Obligations usurious, Beneficiary may pay that amount of the new Imposition which Grantor cannot lawfully pay or which would render the Obligations usurious, and Grantor will pay the remaining lawful and/or nonusurious amount.

(c) **Joint Assessments.** Grantor will not suffer, permit or initiate the joint assessment of the real and personal property or any other procedure in which the lien of the real property taxes and the lien of the personal property taxes are assessed, levied or charged to the Trust Estate as a single lien, and Grantor will contest the validity of the foregoing by appropriate legal proceedings as provided in paragraph (d) below.

(d) **Grantor's Right to Contest Impositions.** Grantor will have the right to contest in good faith the amount or validity of any Imposition by an appropriate legal or administrative proceeding (a "contest") so long as (i) no default exists under the Obligations; (ii) Grantor gives Beneficiary written notice of its intent to institute a contest; (iii) foreclosure of any lien securing the contested Imposition is stayed; (iv) Grantor makes any payment or deposit or posts any bond required by Beneficiary as a condition for pursuing the contest; (v) Grantor commences the contest before the contested Imposition becomes delinquent and continuously pursues the contest in good faith and with due diligence; and (vi) Grantor pays any part of the Imposition determined to be due and owing within ten (10) days following the date of resolution of the contest. Despite Grantor's right to contest Impositions, if payment of a contested Imposition becomes necessary to prevent the sale or forfeiture of the Trust Estate or Collateral or the assessment of liability or a criminal penalty against Beneficiary or Trustee, Grantor will pay or perform the contested Imposition in sufficient time to avoid any such sale, forfeiture, penalty or liability.

1.16 Late Charge. If all or any part of a payment is not paid within five (5) days beginning with the date it is due, Beneficiary may collect, and Grantor will pay with such payment, a "late charge" of One Hundred Fifty and No/100 Dollars (\$150.00). This late payment charge will apply individually to each past due payment, and there will be no daily pro rata adjustment. All late charges will accrue to the benefit of the Beneficiary. Payment of a late charge will not relieve the Grantor of the obligation to make each required payment on the Obligations on or before its due date.

1.17 Transfer of Interest. If Grantor sells, conveys, transfers, assigns, encumbers, turns over full possessory rights to, or in any other manner disposes of the Trust Estate, or enters into a binding agreement to do the

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same, or if a controlling interest in Grantor (if a corporation) or a general partnership interest in Grantor (if a partnership) is sold, conveyed, transferred or encumbered without prior written consent of the Beneficiary, then Beneficiary may declare all Obligations immediately due and payable. This provision will apply to each and every such transaction or event regardless of whether or not Beneficiary has consented to, or waived its rights with regard to, any previous such transaction or event, whether one or more. Consent by Beneficiary to any such transaction and/or to the assumption of the Obligations will not release Grantor from any Obligations. Upon the occurrence of any sale or other transfer of the Trust Estate, Beneficiary will be paid a reasonable service charge for changing its records to reflect such transaction.

1.18 Beneficiary's Powers. Without affecting the liability of any other person liable for payment and/or performance of the Obligations, and without affecting the lien of this Deed of Trust upon any portion of the Trust Estate not then or previously released as security for the Obligations, Beneficiary may, from time to time without notice (i) release any person liable for payment of the Obligations (including guarantors), (ii) extend the maturity or alter any provisions of the Obligations, (iii) subordinate Beneficiary's lien on the Trust Estate or its security interest in the Collateral, (vi) grant other indulgences, (v) release all or any part of the Trust Estate or Collateral, (vi) take or release any other or additional security or guaranties for the Obligations, or (vii) enforce any guaranty and/or sell or otherwise realize on any other security for the Obligations before, concurrently with or after a sale of the Trust Estate or Collateral; (viii) make advances pursuant to the Loan Documents including advances in excess of the Note amount; (ix) consent to the making of any map or plat of the Property; (x) join in granting any easement or creating any restriction on the Property; (xi) assign or otherwise transfer this Deed of Trust, (xii) make compositions or other arrangements with debtors in relation to the Obligations, Trust Estate or Collateral.

1.19 Provisions as to Beneficiary's Advances, Expenses and Payments.

(a) **Subrogation.** Beneficiary will be subrogated to all rights, security interests and liens, whether legal or equitable, of all beneficiaries, mortgagees, lienholders, sellers, owners and other persons directly or indirectly paid off or satisfied, in whole or in part, by any funds advanced by Beneficiary under the Loan Documents, whether or not the rights, security interests or liens are released upon payment.

(b) **Fees, Costs and Expenses.** Grantor will reimburse Beneficiary for all out-of-pocket fees, costs and expenses, including fees for lawyers, accountants, appraisers, architects, engineers and other professionals and costs of title information and title insurance, incurred in connection with any default by Grantor under the Loan Documents, or with the exercise or enforcement by, or on behalf of, Trustee or Beneficiary of any rights or remedies contained in the Loan Documents, whether or not a legal action or proceeding is involved, including any fees, costs and expenses incurred: (i) in any judicial or nonjudicial foreclosure of this Deed of Trust; (ii) in any arbitration or mediation; (iii) in any action contesting or seeking to enforce, restrain, enjoin, stay or postpone the exercise of any right of remedy in which Beneficiary prevails; (iv) in any bankruptcy, probate, receivership or other proceeding involving Grantor; (v) on appeal or review of any action or proceeding; and (vi) in connection with all negotiations, documentation, and other actions relating to any workout, compromise, settlement or satisfaction of the Obligations.

(c) **Repayment of Beneficiary's Expenditures.** Grantor will pay within ten (10) days after written notice from Beneficiary all sums advanced or expenses incurred by Beneficiary or Trustee in making any payment, taking any action or exercising any right or remedy pursuant to the Loan Documents, including those expenses listed or described in this Section 1.19. All such expenditures by Beneficiary will be part of the Obligations, will bear interest from the date of such expenditure at the default rate provided in the Note, or if none, the highest applicable rate provided in the Loan Documents until paid and will be secured by this Deed of Trust.

1.20 Indemnity. Grantor will indemnify, defend and hold harmless Trustee, Beneficiary and their respective officers, directors, employees, agents and shareholders (the "indemnified parties") from and against any and all losses, damages, claims, costs and expenses (including disbursements and reasonable fees of lawyers) which may be imposed on, incurred by or asserted against any of the indemnified parties in connection with any transaction

or matter arising from or related to the Trust Estate, Collateral or Loan Documents, except to the extent any such loss, damage, claim, cost or expense is the result of the willful misconduct or gross negligence of the indemnified party. Any amount payable under this Section will constitute a demand obligation, will be added to and become a part of the Obligations, will bear interest at the Note rate and will be secured by this Deed of Trust. This indemnity will survive any release or foreclosure of the lien of this Deed of Trust, or the delivery of any deed in lieu of foreclosure, except with respect to any claims arising out of or resulting from acts or events occurring after the release or foreclosure of the lien of this Deed of Trust or the delivery of a deed in lieu of foreclosure.

ARTICLE 2 ASSIGNMENT OF LEASES AND RENTS

2.01 Assignment of Rents. If and only if there is a verifiable default, Grantor presently, absolutely and irrevocably assigns and transfers to Beneficiary the Leases and Rents, together with the immediate and continuing right, power and authority to collect the Rents and administer the Leases, subject only to the license to collect the Rents and administer the Leases given to Grantor in Section 2.03. Beneficiary may notify the lessees or occupants under any Lease of this assignment. This assignment of the Leases and Rents is intended to be an absolute present assignment from Grantor to Beneficiary and not merely the creation of a lien or security interest. This assignment will be subject to and, to the extent of any conflict, governed by the provisions of any existing or future separate assignment of the Leases and/or Rents from Grantor to Beneficiary.

2.02 Representations, Warranties and Covenants Regarding Leases. With respect to the Leases and Rents, Grantor represents, warrants, covenants and agrees to and with Beneficiary as follows:

(a) Grantor will fully perform its obligations under, and comply with the terms of, the Leases and will do everything necessary to preserve the Leases in force;

(b) Grantor has made no prior assignment and will make no subsequent assignment of the Leases and/or Rents without the prior written consent of Beneficiary. Grantor will execute, acknowledge and deliver such further assignments of the Leases and Rents as Beneficiary may from time to time request;

(c) Grantor has not collected and will not collect or accept payment of any Rent more than one month in advance of the due date;

(d) If the Trust Estate is partially condemned or suffers a casualty, Grantor will promptly repair and restore the Trust Estate in order to comply with the Leases provided that Grantor's actions will be consistent with the rights of Beneficiary with respect to any proceeds (as defined in Section 1.14) resulting from any taking, impairment or damage of or to the Trust Estate.

2.03 Collection of Rents and Administration of Leases.

(a) **License to Grantor.** Beneficiary gives Grantor a license to collect the Rents and administer the Leases which license may be terminated by Beneficiary without notice to Grantor (other than the notice, if any, required to create an Event of Default) at any time after an Event of Default (as defined in Section 3.01) has occurred. So long as no Event of Default has occurred and Beneficiary has not elected to terminate the license, Grantor may collect the Rents as they become due and administer the Leases in the ordinary course of Grantor's business, subject, however, to Section 2.02 and paragraph (c) of this Section. Grantor shall use the Rents to pay the normal operating expenses for the Trust Estate and Collateral and the Obligations;

(b) **Rights of Beneficiary.** If an Event of Default occurs, Beneficiary may terminate Grantor's license without notice to Grantor (other than the notice, if any, required to create an Event of Default) and, thereafter, Beneficiary, its agent or a court appointed receiver may collect the Rents and administer the Leases. In doing so, Beneficiary may (i) demand that the lessees or occupants of the Trust Estate pay all amounts due under the

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Leases directly to Beneficiary, (ii) enter upon and take possession of the Trust Estate, (iii) sue for or otherwise collect any past due Rent, (iv) evict any lessee or occupant for nonpayment of Rent or other default, (v) terminate any tenancy or occupancy in any lawful manner, (vi) lease the Trust Estate in the name of the then owner on such terms as Beneficiary deems best. The Rents received will be applied to payment of collection costs (including a reasonable fee to Beneficiary, its agent or a receiver), operating expenses for the Trust Estate and sums due on the Obligations, in such order as Beneficiary may determine. Any excess will be paid to Grantor; however, Beneficiary may retain a reasonable amount to pay sums anticipated to become due which exceed the anticipated future Rents. Any Rents paid to Beneficiary or a receiver will be credited against the amount due from any lessee under a Lease. Beneficiary's right to collect the Rents at any time after an Event of Default has occurred will not be affected by Beneficiary failing or ceasing to collect the Rents at any other time when it was entitled to do so. The collection of the Rents by Beneficiary will not cure or waive any Event of Default. Beneficiary or a receiver will have no obligation to perform Grantor's duties under the Leases. In exercising its right under this Section, Beneficiary will not be liable to Grantor, anyone claiming under or through Grantor, or anyone having an interest in the Trust Estate for any act or omission of Beneficiary other than for the proper application of and accounting for the Rents collected by Beneficiary or its agents. For the purpose of carrying out the provisions of this Section 2.03(b), Grantor irrevocably appoints Beneficiary the true and lawful attorney-in-fact of Grantor to do and perform, from time to time any and all actions necessary and incidental to such purpose and does by these presents ratify and confirm any and all actions of Beneficiary as attorney-in-fact in and with respect to the collection of Rents and administration of Leases.

(c) **Non-Ordinary Course Payments; Bankruptcy.** Despite Grantor's license to collect the Rents, any proceeds or damages received as a result of a default in any Lease which exceed the rent due and payable under the Lease up to the date the premises are relet or sublet will be paid to Beneficiary, at its option, and applied against the Obligations even though no amount may be then due and payable. If any lessee becomes the subject of a proceeding under the Bankruptcy Code or any other statute which provides for the possible rejection of a lease and if that lessee's Lease is rejected, no damages settlement will be made without the prior written consent of Beneficiary. Any check in payment of damages for rejection or termination of that Lease will be made payable to both Grantor and Beneficiary and, upon request of Beneficiary, Grantor will duly endorse the check to the order of Beneficiary who may apply the proceeds against the Obligations even though no amount may be then due and payable.

ARTICLE 3 DEFAULT AND REMEDIES

3.01 Events of Default. Only the following events or circumstances will constitute an "Event of Default" under this Deed of Trust:

(a) if Grantor fails to pay when due any amounts required to be paid under the Note or this Deed of Trust whether of principal, interest, premium, tax, assessment, fee, expense or otherwise; or

(b) if Grantor fails to perform or comply with the provisions of Sections 1.04 – 1.10 of this Deed of Trust, and Grantor does not cure that failure after written notice thereof within the period of time, if any, provided in this Deed of Trust or the Note or, if no period is specified, within ten (10) days; or

(c) if Grantor files a voluntary petition in bankruptcy or any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, liquidation, dissolution or similar relief for itself under any present or future law or regulation relating to relief for debtors; or seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of Grantor or the Trust Estate, or makes a general assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due; or

(d) if an involuntary petition in bankruptcy is filed or an order, judgment or decree is entered approving a petition filed against Grantor seeking its reorganization, dissolution or similar relief under any present or future law or regulation relating to bankruptcy, insolvency or other relief for debtors, which remains unvacated

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and unstayed for sixty (60) days from the date it is entered; or a trustee, receiver or liquidator of Grantor or the Trust Estate is appointed without the consent or acquiescence of Grantor and such appointment remains unvacated and unstayed for sixty (60) days; or

(e) if a writ of execution or attachment or any similar process is issued or levied against the Trust Estate, or if a judgment entered against Grantor which involves monetary damages becomes a lien on the Trust Estate and the execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within sixty (60) days after its entry or levy; or

(f) if Grantor violates the provisions of Section 1.17.

3.02 Remedies. Upon the occurrence of any Event of Default, Beneficiary may exercise at any time thereafter any one or more of the following rights and remedies:

(a) **Acceleration.** Beneficiary may declare all Obligations to be immediately due and payable, and upon any such declaration, the entire unpaid balance of the Obligations will become and be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are expressly waived by Grantor; or

(b) **Nonjudicial Foreclosure.** Beneficiary may elect to foreclose by exercise of the power of sale granted in this Deed of Trust and, in doing so, to deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Grantor's interest in the Trust Estate to be sold (the "Notice of Default"), together with this Deed of Trust and the Note and such receipts or other evidence of expenditures made by Beneficiary and secured by this Deed of Trust as Trustee may require. Beneficiary may elect to realize on the Collateral in accordance with its remedies under real property law and, accordingly, may assign its security interest in the Collateral to the Trustee and request that the Trustee sell the Collateral in the same manner as for real estate; or

(c) **Judicial Foreclosure.** Beneficiary may commence an action to judicially foreclose this Deed of Trust as a mortgage. The Trust Estate and/or Collateral may be sold at one or more sales, as a whole or in such parcels or lots, with such elements of real and/or personal property, and in such manner or order as the Beneficiary, in its sole discretion, may elect. Beneficiary will be entitled to possession of the Trust Estate and Collateral during any redemption period allowed under the laws of the State of Nevada. However, if Grantor remains in possession of the Trust Estate and/or Collateral after it has been sold, Grantor will become a tenant at will of the purchaser of the Trust Estate and/or Collateral and will pay a reasonable rental for the use thereof while they are in Grantor's possession. During any redemption period, the purchaser may make such repairs and alterations to the Trust Estate and/or Collateral as may be reasonably necessary for its proper operation, care, preservation or protection; pay any Impositions which become due; insure the Improvements and Collateral against loss by casualty and itself against liability arising from its ownership and use of the Trust Estate and/or Collateral; pay liens not extinguished by the foreclosure; and pay any other amounts relating to the Trust Estate and/or Collateral as they become due. Any sums so paid, together with interest thereon from the date of the expenditure at the rate allowed under Nevada law during the period of redemption, will be included in the amount required to be paid to redeem the Trust Estate and/or Collateral; or

(d) **Uniform Commercial Code Remedies.** Beneficiary may exercise any or all of the rights and remedies available to a secured party under the UCC as in effect in the State of Nevada. Upon request, Grantor will assemble and make the Collateral available to Beneficiary or its agent at a place to be designated by Beneficiary which is reasonably convenient to both parties. Beneficiary may sell (at public or private sale), lease or otherwise dispose of the Collateral in accordance with the UCC. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Beneficiary will give Grantor prior written notice of the time and place of any public sale of the Collateral or of the time after which any other intended disposition of the Collateral will occur, and notice will be deemed reasonably and properly given if mailed at least

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ten (10) days prior to such sale or other disposition. Beneficiary may elect to have the Collateral sold at a Trustee's sale as part of the real property or to judicially foreclose its security interest. Beneficiary and its agents will have the right to enter upon the Trust Estate to exercise Beneficiary's rights with regard to the Collateral;

(e) Specific Performance. Beneficiary may institute an action, suit or proceeding in equity for the specific performance of any of the provisions contained in the Loan Documents; or

(f) Appointment of Receiver. Beneficiary may apply for the appointment of a receiver of the Trust Estate and/or Collateral. The receiver will be vested with the fullest powers permitted under applicable law and all rights and powers granted to Beneficiary by the Loan Documents; or

(g) Remedial Advances and Actions; Right to Protect Trust Estate and Collateral. Beneficiary may make any payment which Grantor has failed to make and/or perform any or all required actions which Grantor has failed to perform. Beneficiary may also make any other payment or perform any other action in such manner and to such extent as it may, in good faith, deem necessary to protect the Trust Estate or Collateral or the security of this Deed of Trust. In exercising the general powers granted to Beneficiary in this paragraph, Beneficiary may take, but is not limited to, any of the following actions: (i) pay, purchase, contest or compromise any amounts due under any lease, contract, encumbrance, Imposition, claim or debt or the premium for any required insurance policy; (ii) commence and prosecute or appear in and defend any action or proceeding which may affect the Trust Estate or Collateral, the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee; (iii) enter upon and take possession of the Trust Estate and/or Collateral; (iv) make additions, alterations, repairs and improvements to the Trust Estate and/or Collateral which Beneficiary considers necessary or proper to keep the same in good and lawful condition and repair; and (v) incur such expenses as Beneficiary in its absolute discretion deems necessary. Payment or performance by Beneficiary as provided in this paragraph will not cure or waive any existing Event of Default or release Grantor from any Obligation under this Deed of Trust; or

(h) Right of Entry. With or without bringing any action or proceeding, enter upon and take possession of the Trust Estate and/or Collateral and do any acts which Beneficiary, in good faith, deems necessary or desirable to (i) preserve the value, marketability or rentability of the Trust Estate and/or Collateral; (ii) protect the security of this Deed of Trust; (iii) collect the Rents and administer the Leases as provided in Article 2; or (iv) operate and preserve (to the extent reasonably possible) any business of Grantor conducted on the Trust Estate. While in possession of the Trust Estate and/or Collateral, Beneficiary, at the expense of Grantor and the Trust Estate, may (x) insure or reinsure the Improvements and Collateral, (y) make all necessary or proper repairs, replacements, alterations, additions and improvements and (z) exercise all rights and powers of Grantor with respect to the Trust Estate and/or Collateral, either in Grantor's name or otherwise. For the purpose of carrying out the provisions of this Section 3.02(h), Grantor irrevocably appoints Beneficiary the true and lawful attorney-in-fact of Grantor to do and perform, from time to time, any and all actions necessary and incidental to such purpose. The entering upon and taking possession of the Trust Estate and/or Collateral, and the collection of Rents, will not cure or waive any Event of Default, invalidate any act done in response to an Event of Default or pursuant to a notice of default or constitute an election of remedies. If Beneficiary exercises any of the rights or remedies contained in this Section 3.02(h) or Article 2, Beneficiary will not be deemed to have entered upon or taken possession of the Trust Estate, except upon the exercise of its option to do so evidenced by its demand and overt act for such purpose, nor will it be deemed a beneficiary or mortgagee in possession by reason of such entry or taking possession. Beneficiary will not be liable to account for any action taken pursuant to any such exercise, other than for application of Rents actually received by Beneficiary, or be liable for any loss sustained by Grantor resulting from any failure to lease the Trust Estate or from any other act or omission of Beneficiary, except to the extent such loss is caused by the willful misconduct or bad faith of Beneficiary; or

(i) Loan Document and General Remedies. In addition to the remedies provided for in this Section, Beneficiary may exercise any right or remedy provided for in any Loan Document, including the assignment of Leases and Rents contained in Article 2 of this Deed of Trust and may take any other action permitted, or pursue any other right or remedy available, under applicable law.

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3.03 Expenses. In any judicial or nonjudicial proceeding to foreclose or to enforce any other remedy under this Deed of Trust, there will be allowed and included as an addition to and a part of the Obligations in the notice of sale, decree for sale or other judgment or decree all expenditures and expenses which may be paid or incurred in connection with the exercise by Beneficiary of any of its rights and remedies provided or referred to in this Deed of Trust or any other Loan Document, including fees and disbursements of lawyers, together with interest thereon at the highest applicable rate provided in the Loan Documents, and the same will be part of the Obligations and will be secured by this Deed of Trust.

3.04 Additional Provisions as to Remedies.

(a) **No Waiver of Default.** Beneficiary's exercise of any of its rights and remedies will not constitute a waiver or cure of a default. Beneficiary's delay in exercising, or refusal or failure to exercise, any right or remedy when a default or Event of Default has occurred will not operate as a waiver of the existing, or any other or future, default or Event of Default.

(b) **No Waiver of Rights or Remedies.** Beneficiary's delay in asserting, or failure or refusal to assert, any right or remedy when a default or Event of Default has occurred will not operate as a waiver of such right or remedy with regard to the existing, or any other or future, default or Event of Default. Beneficiary's waiver of any right or remedy with regard to a particular default or Event of Default will not operate as a waiver of that right or remedy with regard to any other or future default or Event of Default.

(c) **No Waiver of Obligations.** Beneficiary's exercise of any of its rights and remedies will not constitute a waiver of, or release Grantor from, any Obligation. Beneficiary's failure or refusal to require any payment or performance of the Obligations when due will not constitute a waiver of such payment or performance or of any other or future required payment or performance of the Obligations. Beneficiary's acceptance of a late payment of any sum secured by this Deed of Trust will not waive its right to require prompt payment of any other sums when due or to declare a default for failure to pay, and acceptance of any partial payment will be deemed an acceptance on account only.

(d) **Other Security, Guaranties.** Beneficiary's right to enforce payment and performance of the Obligations and to exercise the rights and remedies provided under any Loan Document will not be affected by the fact that the Obligations are or may be secured by any document, instrument or agreement other than the Loan Documents. Without waiving its rights in the Trust Estate and/or the Collateral, Beneficiary may enforce this Deed of Trust and any other security for, or guaranty of, the Obligations in such order and manner as Beneficiary may elect.

(e) **Remedies Cumulative and Optional.** The rights and remedies provided in the Loan Documents are not mutually exclusive and each right or remedy is cumulative and in addition to every other right or remedy provided in the Loan Documents or available at law or in equity. Every right or remedy provided in the Loan Documents may be exercised concurrently or independently, from time to time as often as desired and in such order and manner as Beneficiary and/or Trustee may elect and whether or not consistent with any other right or remedy which has been or may be exercised. Beneficiary is not obligated to enforce any rights or remedies granted under, or to take any action authorized by, this Deed of Trust.

3.05 Waiver of Rights and Defenses. To the full extent Grantor may lawfully do so, Grantor waives the following:

(a) All rights to a marshalling of Grantor's assets, including the Trust Estate and Collateral, or to a sale in inverse order of alienation in the event of a foreclosure of the liens and security interests created by this Deed of Trust.

(b) Notice of a default by any party (including another Grantor) liable on the Obligations.

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(c) Diligence, demand for performance, notice of nonperformance, presentment, protest and notice of dishonor and notice of new or additional indebtedness of any party (including another Grantor) liable on the Obligations.

(d) Any defense arising out of or related to any pending financing, additional financing or other arrangements not pertaining to the Trust Estate between Beneficiary and Grantor or any other party (including another Grantor) liable on the Obligations. Any defense arising out of the absence, impairment or loss of any or all rights of recourse, reimbursement, contribution or subrogation or any other rights or remedies of Beneficiary against Grantor or any other party (including another Grantor) liable on the Obligations.

(e) Any obligation of Beneficiary to see the proper use and application of any proceeds advanced pursuant to the Loan Documents.

ARTICLE 4 TRUSTEE

4.01 Acceptance of Trust. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

4.02 General Powers. At any time or from time to time, without liability therefor and without affecting the liability of any person for payment of the Obligations or the lien of this Deed of Trust upon the remainder of the Trust Estate, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement, Trustee may (i) reconvey any part of the Trust Estate, (ii) consent in writing to the making of any map or plat of the Property, (iii) join in granting any easement or creating any restriction on the Trust Estate, (iv) or join in any extension, subordination or other agreement affecting the lien of this Deed of Trust.

4.03 Powers and Duties on Default. Upon receipt of a written declaration of default and demand for sale from Beneficiary, Trustee will cause to be recorded, published and delivered to Grantor a notice of default and election to sell (the "Notice of Default") in accordance with law. When not less than the time then required by law after recordation of the Notice of Default has elapsed and when a "Notice of Sale" has been given as required by law, the Trustee, without demand on Grantor, will sell the Trust Estate at the time and place of sale fixed in the Notice of Sale, either as a whole, or in separate parcels or items and in such order as it may determine (subject to any statutory right of Grantor to direct the order in which property consisting of several known lots or parcels must be sold), at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Pursuant to Section 9-501(4) of the UCC, Trustee may sell the Collateral in the same manner as the Trust Estate and Grantor agrees that it is commercially reasonable to dispose of the Collateral at such a sale.

In accordance with applicable law, Trustee may postpone the sale of the Trust Estate and/or Collateral from time to time and, without further notice, may sell the remaining portions of the Trust Estate or Collateral at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

Trustee will deliver to each purchaser at the sale its good and sufficient deed and/or bill of sale conveying the property so sold, but without any covenant or warranty, express or implied. The recital in such deed of any matters of fact will be conclusive proof of the truthfulness thereof. Any person, including Grantor or Beneficiary, may purchase at the sale and Grantor covenants that it will warrant and defend the title of the purchaser or purchasers.

After deducting all costs, fees and expenses of Trustee and of this trust, including costs of evidence of title and fees and disbursements of lawyers in connection with sale, Trustee will apply the proceeds of sale to payment of: (i) all sums expended under the provisions of this Deed of Trust and not previously repaid, with accrued interest at the rate(s) provided in the Note; (ii) all other Obligations; and (iii) the remainder, if any, to the person or persons legally entitled thereto in accordance with law.

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4.04 Reconveyance. Upon written request of Beneficiary stating that all Obligations have been paid, surrender of this Deed of Trust and the Note to Trustee for cancellation and retention, and payment by Grantor of Trustee's fees, Trustee will reconvey the Trust Estate without warranty. The recitals in a reconveyance of any matters of fact will be conclusive proof of the truthfulness of such matters. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto."

4.05 Appointment of Successor Trustee. Beneficiary may, from time to time, in the manner provided by statute, appoint a successor to the named Trustee or any successor Trustee. Thereupon, the existing Trustee will be discharged and the appointed successor will be substituted as Trustee under this Deed of Trust and will have all of the powers of the original named Trustee.

4.06 Request for Notice. Grantor requests a copy of any Notice of Default and that any Notice of Sale given under this Deed of Trust be mailed to it at the address set forth in Section 5.07 of this Deed of Trust.

ARTICLE 5 ADDITIONAL PROVISIONS

5.01 Governing Law. This Deed of Trust will be governed by, and construed in accordance with, the laws of the State of Nevada.

5.02 Partial Invalidity. If any provision of this Deed of Trust, or the application of the provision to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Deed of Trust, or the application of the provision to other persons or circumstances, will not be affected, and each provision of this Deed of Trust will be valid and will be enforced to the fullest extent permitted by law.

If it is determined that the lien of this Deed of Trust does not secure any part of the Obligations, the unsecured portion will be completely paid prior to the payment of the secured portion, and all payments made on the Obligations, whether voluntary or otherwise, will be deemed to have been first applied to the full payment of that portion of Obligations which are not secured by the lien of this Deed of Trust.

If the lien of this Deed of Trust is invalid or unenforceable as to any part of the Trust Estate, the lien on the remainder of the Trust Estate will continue to secure the Obligations until they have been paid in full.

5.03 Matters to be in Writing. The provisions of the Deed of Trust cannot be waived, changed, discharged, released or terminated except in a writing, signed by the party against whom enforcement is sought. Any waiver of a provision of the Loan Documents will apply only to the time and occasion specified in the waiver.

5.04 Time of Performance. Time is of the essence with respect to the payment and performance of the Obligations when due under the Loan Documents.

5.05 Subrogation. To the extent Beneficiary makes future advances which are used to extinguish, extend or renew the indebtedness secured by the Property, then Beneficiary shall be subrogated to all of the rights, liens and interests existing against the Property and held by the holder of such indebtedness and such former rights, liens and interest, if any, are not waived but are continued in full force and effect in favor of Beneficiary.

Statements of Amount Owed. Grantor, within twenty (20) days after a request by Beneficiary, will furnish a written statement, duly executed and acknowledged, of the amounts due on the Obligations and whether any offset or defense exists against the Obligations.

5.07 Notices. Any notice, demand, request, consent, approval or other communication (a "notice") required or permitted under this Deed of Trust, or any other Loan Document, must be in writing and will be effective (1) on actual delivery to the party receiving the notice or (2) on the second day after it is deposited in the United States mail, postage prepaid, return receipt requested, addressed to the address first set forth at the beginning

of this Deed of Trust. Any person will have the right to specify, from time to time, as its address or addresses for notice purposes, any other address or addresses upon giving fifteen (15) days' notice thereof to each other person then entitled to receive notices under this Deed of Trust.

5.08 [Intentionally Omitted.]

5.09 Controlling Documents. In the event of a conflict or inconsistency between this Deed of Trust and the provisions related to the Trust Estate or Collateral of any other Loan Document, this Deed of Trust will control; except that a separate Assignment of Leases and Rents executed by Grantor in favor of Beneficiary will control over Article 2 of this Deed of Trust.

5.10 Discretion of Beneficiary and Trustee. Whenever Beneficiary's or Trustee's judgment, consent or approval is required for any matter, or either has an option or election under this Deed of Trust, such judgment or the decision whether or not to consent to or approve the matter or to exercise the option or election will be within the sole and absolute discretion of Beneficiary or Trustee, as the case may be.

5.11 Construction of Provisions. The following rules of construction apply to this Deed of Trust and all documents and instruments supplemental to it, unless the context otherwise requires:

(a) The Article, Section and Exhibit captions are used for reference only and do not limit or describe the scope or intent of, or in any way affect, the provisions of this Deed of Trust.

(b) The terms "include," "including" and similar terms will be construed as if followed by the phrase "without being limited to."

(c) The terms "Property," "Improvements," "Trust Estate," "Collateral," "Leases," "Rents" and "Obligations" will be construed as if preceded by the phrase "all or any part of."

(d) The term "Obligations" will be construed as if followed by the phrase "or any other sums secured by all or any part of this Deed of Trust."

(e) The use of either the singular or plural form includes the other form, and the use of any gender includes all other genders.

(f) The term "person" includes natural persons, firms, partnerships, corporations and any other public and private legal entities.

(g) The term "provisions," when used with respect to this Deed of Trust or any other document or instrument, will be construed as if preceded by the phrase "terms, covenants, agreements, requirements, conditions and/or."

(h) All Obligations and any action which Grantor is required or permitted to satisfy, perform or take under the Loan Documents will be satisfied, performed or taken by or on behalf of Grantor at Grantor's sole cost and expense.

(i) The term "Grantor" means and includes all named Grantors and their respective heirs, devisees, legal representatives, successors and assigns and refers to all Grantors collectively and to each Grantor individually. The term "Beneficiary" means the named beneficiary and/or each owner and holder who has an undivided interest or participation in the Note and such person's respective heirs, devisees, legal representatives, successors and assigns. The term "Trustee" includes its successors and assigns.

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5.12 Binding Effect. This Deed of Trust applies to, inures to the benefit of and binds all of the parties and their respective heirs, devisees, legal representatives, successors and assigns. If there is more than one Grantor of this Deed of Trust, their liability will be joint and several.

5.13 No Merger; Subordination. If, at any time, both the lessor's and lessee's estates under any Lease become vested in one owner, the lien created by this Deed of Trust will not be destroyed or terminated by application of the doctrine of merger and, in such event, Beneficiary will continue to have and enjoy all the rights and privileges of Beneficiary as to the separate estates. Beneficiary may foreclose this Deed of Trust subject to any Lease. Beneficiary, at any time, may subordinate this Deed of Trust to any or all of the Leases, except that Beneficiary will retain its priority claim to any condemnation or insurance proceeds.

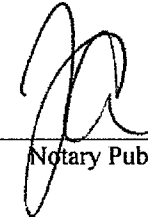
IN WITNESS WHEREOF, Grantor has executed this Deed of Trust as of the day and year first above written.

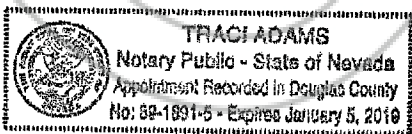
GRANTOR:

By: 
Clint Martin

STATE OF NEVADA)
) ss.
County of Douglas)

This instrument was acknowledged before me this 24th day of October, 2016, by Clint Martin, an individual.


Notary Public



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EXHIBIT A

Legal Description of Property

All that certain real property situate in the County of Douglas, State of Nevada, described as follows:

See attached

APN: 1220-11-001-050



EXHIBIT "A"

All that certain real property situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land located within a portion of Section 11, Township 12 North, Range 20 East, M.D.B.&M., more particularly described as follows:

A portion of Parcel 1 as shown on that certain Final Industrial Subdivision Map LDA 06-016 for OLD SAWMILL INDUSTRIAL PARK, LLC, recorded in the office of the Douglas County Recorder, State of Nevada on May 15, 2009 in Book 509, at Page 3833 as Document No. 743278, Official Records, described as follows:

Lot 9, as shown on that certain Record of Survey #1 for OLD SAWMILL INDUSTRIAL PARK, LLC, recorded in the office of the Douglas County Recorder, State of Nevada on May 20, 2009 in Book 509 at Page 5305 as Document No. 743581, Official Records.

SUBJECT TO Item 22 of exceptions shown in this report.

**Assessor's Parcel Number(s):
1220-11-001-050**