

DOUGLAS COUNTY, NV      **2019-939286**  
Rec:\$35.00  
\$35.00      Pgs=23      12/09/2019 03:35 PM  
ETRCO  
KAREN ELLISON, RECORDER

APN# : 1220-04-002-020

**Recording Requested By:**  
Western Title Company, LLC  
**Escrow No.:** 104817-ARJ

**When Recorded Mail To:**  
PEGASUS BANK  
4515 W. MOCKINGBIRD  
LANE  
DALLAS, TX  
75209

**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 \_\_\_\_\_  
Anu Jansse      Escrow Officer

**DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FINANCING STATEMENT**

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

APN: 1220-04-002-020

Recording requested by and  
After recording return to:

Pegasus Bank  
4515 W. Mockingbird Lane  
Dallas, Texas 75209

NEVADA

**DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES,  
SECURITY AGREEMENT AND FINANCING STATEMENT**  
(Gardnerville, County of Douglas, Nevada)

This DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FINANCING STATEMENT (hereinafter called "**Deed of Trust**") is made as of December 9, 2019, by and between **JH - GARDNERVILLE, LLC**, a Texas limited liability company, with mailing address at 3953 Maple Avenue, Suite 290, Dallas, Texas, 75219 (hereinafter called the "**Grantor**"), to Western Title Company, ("**Trustee**"), to and for the benefit of PEGASUS BANK, as beneficiary, whose mailing address is 4515 W. Mockingbird Lane, Dallas, Texas, 75209, Attention: Joe R. Goyne ("**Lender**"), pursuant to and as a condition precedent to that certain Loan Agreement dated as of even date herewith between Grantor, as borrower (the "**Borrower**") and the Lender (such Loan Agreement, as amended, extended, modified, restated and supplemented from time to time, collectively the "**Loan Agreement**").

ARTICLE 1

1.1 **Granting Clauses.** Grantor hereby irrevocably grants, bargains, transfers, and conveys to Trustee, in trust, with the power of sale and right of entry and possession, for the benefit of Lender, as beneficiary, all of Grantor's present and future estate, right, title and interest in and to that real property (the "**Premises**"), in the unincorporated town of Gardnerville, County of Douglas, State of Nevada and more particularly described on **Exhibit A** attached hereto and made a part hereof.

TOGETHER with all of the following described real and personal property which, with the Premises (except where the context otherwise requires), are hereinafter collectively called the "**Property**":

(a) All buildings, structures and improvements now or hereafter erected or placed in or upon the Premises, and all fixtures now or hereafter located in or upon any such building, structure or other improvement, regardless of the method of annexation or removability, including, without limitation, all electrical equipment (including lighting equipment, refrigeration equipment, ceiling fans, attic and window fans, motors and all other electrical paraphernalia), all furnaces, heaters, radiators and all other heating equipment, all linoleum and other permanent floor coverings, and all elevators (collectively, the "Improvements");

(b) All apparatus, chattels, equipment, machinery, trade fixtures, furnishings, appliances, supplies and inventory now or hereafter located upon the Premises or the Improvements, or attached to or used in connection with the Premises or the Improvements, whether or not the same have or would become a part of the Premises by attachment thereto, and all other personal property and fixtures of whatever kind and nature presently contained or hereafter placed in or located upon the Premises or the Improvements, including all accessions and accessories to the personalty covered hereby, all replacements thereof and all parts substituted therein or thereon, whether or not same has or would become part of the Premises or the Improvements (the foregoing personal property being sometimes hereinafter referred to separately as the "Personal Property");

(c) all of Grantor's right, title and interest in and to (i) plans and specifications for the Improvements; (ii) contracts relating to the Premises, or the Improvements or the Personal Property or any part thereof; (iii) deposits (including, but not limited to, Grantor's rights in tenants' security deposits, deposits with respect to utility services to the Land, or the Improvements or the Accessories or any part thereof, and any deposits or reserves hereunder or under any other Loan Document (as hereinafter defined) for taxes, insurance or otherwise, funds, accounts, contract rights, instruments, documents, commitments, general intangibles (including, but not limited to, trademarks, trade names and symbols), notes and chattel paper used in connection with or arising from or by virtue of any transactions related to the Land, or the Improvements or the Accessories or any part thereof; (iv) permits, licenses, franchises (including, but not limited to, all franchise and other agreements with any hotel operator), certificates and other rights and privileges obtained in connection with the Land, or the Improvements or the Accessories or any part thereof; (v) utility rights and reservations; and (vi) other properties, rights, titles and interests, if any, specified in any Section or any Article of this Deed of Trust as being part of the Property

(d) All rents, issues and profits arising and to arise during the term of this Deed of Trust for or on account of or with respect to the Premises, the Improvements or the Personal Property;

(e) All judgments and awards (and all proceeds thereof and other rights with respect thereto) made or to be made with respect to all or any part of the Premises, the Improvements or the Personal Property under or in connection with any power of eminent domain;

(f) All rights to collect and receive any sums payable as or for damages to any of the Premises, the Improvements or the Personal Property, for any reason or by virtue of any occurrence;

(g) All rights to collect and receive any unearned or unaccrued premiums for

casualty insurance policies covering the Improvements or the Personal Property, due or returnable upon any cancellation of or change in such policies;

(h) All of Grantor's right, title and interest, if any, in and to existing and future appurtenances, privileges, easements, and tenements of the Premises, including all minerals, oil, gas, other hydrocarbons and associated substances, and other commercially valuable substances which may be in, under or produced from any part of the Premise, all development rights and credits, all water, water courses, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) and water stock, easements, rights-of-way, gores or strips of land, and any land lying in the streets, ways, alleys, passages, roads or avenues, open or proposed, in front of or adjoining the Premises; and

(i) All general intangibles, payment intangibles, instruments, accounts, supporting obligations, chattel paper, contract rights and intangible personal property now owned or hereafter acquired and arising from the operation of or relating in any manner to the Premises, the Improvements and/or the Personal Property.

1.2 Warranty of Title. Grantor represents and warrants that it is the lawful owner and in possession of the Premises and is well and lawfully seized of a good and indefeasible estate in fee simple, free and clear of all encumbrances of every nature and kind whatsoever, except for the Permitted Liens (as defined in the Loan Agreement) and the encumbrances set forth on Exhibit B attached hereto (hereinafter collectively called the "Permitted Exceptions"). Grantor represents and warrants that it has good right and title and authority to sell, convey, mortgage, encumber and create a security interest in and to the same in favor of Lender. Grantor agrees to make any further assurances of title that Lender may require and will WARRANT AND DEFEND the same unto Lender, its successors and assigns, forever, against the lawful claims and demands of all persons whomsoever, subject to the Permitted Exceptions.

**GRANTOR FURTHER REPRESENTS, WARRANTS, COVENANTS AND AGREES AS FOLLOWS:**

## ARTICLE 2

2.1 Obligations Secured. This Deed of Trust is given for the purpose of securing, in such order of priority as Lender may elect, all of the following (collectively, the "Obligations"):

(a) Payment of the principal sum of TWO MILLION THREE HUNDRED TWENTY-THREE THOUSAND EIGHT HUNDRED NINETY-SIX AND NO/100 DOLLARS (\$2,323,896.00), together with interest accrued and accruing thereon, according to the terms of that certain Promissory Note in the maximum principal amount of \$2,323,896.00, dated of even date herewith, made by Grantor, as borrower, and payable to the order of the Lender signatory parties to the Loan Agreement, which may include, without limitation, extension and other fees, late charges, prepayment premiums and attorneys' fees (hereinafter, together with any and all extensions, modifications, renewals or replacements thereof, collectively called the "Note"). The Note bears interest at a fluctuating rate in accordance with the terms and provisions thereof. The maturity date of the Note is December 9, 2024.

(b) Payment, performance and observance by Grantors of each covenant, condition, provision and agreement contained in the Loan Agreement and all other Obligations (as that term is defined in the Loan Agreement) of the Borrower under the Loan Agreement and in any other document or instrument related to the indebtedness hereby secured and of all monies expended or advanced by Lender pursuant to the terms thereof or to preserve any right of Lender thereunder;

(c) Any and all amounts which the Lender may expend or become obligated to expend in collecting the indebtedness secured hereby or the rents herein assigned, in foreclosing the lien of this Deed of Trust or in exercising or attempting to exercise any right or remedy hereunder or with respect hereto consequent upon any default of the Grantor hereunder, including, but not limited to, attorneys' fees as provided in the Note, court costs, expenses incurred for supplemental or additional abstracts, receivers', appraisers' and watchmen's fees and other expenses reasonably incurred to protect and preserve the Property or in maintaining the priority of this Deed of Trust, together with interest on all such sums from the respective dates upon which the Lender may expend, or become obligated to expend, the same at the Default Rate specified in the Loan Agreement.

2.2 Future Advances. Grantor, and each party at any time claiming an interest in or lien or encumbrance against the Property, agrees that all advances made by Lender from time to time under any of the Loan Documents, and all other portions of the obligation herein referred to, shall be secured by this Deed of Trust with priority as if all of the same had been advanced, had arisen or become owing or performable on the date of this Deed of Trust. No reduction of the outstanding principal balance under the Note shall extinguish, release or subordinate any rights, titles, interests, liens, security interests, powers or privileges intended, created or arising hereunder or under any other Loan Document, and this Deed of Trust shall remain in full force and effect as to any subsequent advances or subsequently arising portions of the Obligations without loss of priority until the Obligations is fully paid, performed and satisfied, all agreements and obligations, if any, of Lender for further advances have been terminated and this Deed of Trust has been released of record by Lender. Without limiting the generality of the forgoing, this Deed of Trust secures all future advances, as defined in Nevada Revised Statutes ("NRS") Section 106.320 and is to be governed by NRS 106.300 to 106.400 inclusive. The maximum principal (as defined in NRS 106.345) amount to be secured hereby is TWO MILLION THREE HUNDRED TWENTY-THREE THOUSAND EIGHT HUNDRED NINETY-SIX AND NO/100 DOLLARS (\$2,323,896.00).

2.3 Loan Documents. The Note, the Loan Agreement, this Deed of Trust, and all other documents or instruments (including without limitation, the Security Instruments defined in the Loan Agreement) now or hereafter evidencing or securing the Obligations are collectively referred to herein as the "Loan Documents."

### ARTICLE 3

3.1 Assignment of Rents and Leases As additional consideration for making the loans to the Borrower for the benefit of the Grantor, Grantor hereby absolutely transfers and assigns to Lender all right, title and interest of Grantor in and to (i) all existing and future leases, subleases, licenses and other agreements for the use and occupancy of all or any part of the Property,



whether written or oral and whether for a definite term or month to month, together with all guarantees of the lessee's obligations thereunder and together with all extensions, modifications and renewals thereof, including, but not limited to, that certain Lease dated effective February 13, 2019, by and between Grantor (as successor in interest to Jones Hummel Holdings, LLC), as Landlord and Bridgestone Retail Operations, LLC, as tenant (as amended and/or assigned as of the date hereof, hereinafter collectively called the "Leases"), and (ii) all income, receipts, revenues, rents, accounts, issues and profits now or hereafter arising from or out of the Leases or from or out of the Property or any part thereof, including, without limitation, license fees, parking and maintenance charges and fees, tax and insurance contributions, proceeds of the sale of utilities and services, cancellation premiums, claims for damages arising from any breach of the Leases, proceeds from any sale or other disposition of all or any portion of the Property, and all other benefits arising from the use or enjoyment of, or the lease, sale or other disposition of, all or any portion of the Property, together with the immediate and continuing right to receive all of the foregoing (hereinafter called the "Rents"). In furtherance of this assignment, and not in lieu hereof, Lender may require a separate assignment of rents and leases and/or separate specific assignments of rents and leases covering one or more of the Leases; the terms of all such assignments are incorporated herein by reference. Notwithstanding the above, Lender does hereby grant to Grantor a revocable license to collect and retain the Rents prior to the occurrence of an Event of Default (as defined in the Loan Agreement). Upon the occurrence of an Event of Default, this license shall automatically be revoked without any notice from or action by Lender.

3.2 Collection of Rental Payments. Grantor hereby authorizes and directs the lessees, tenants and residents under the Leases that, upon written notice from Lender (or a receiver), all Rents shall be paid directly to Lender as they become due. Grantor hereby relieves the lessees, tenants and residents from any liability to Grantor by reason of the payment of the Rents to Lender. Nevertheless, Grantor shall be entitled to collect the Rents until the occurrence of an Event of Default. Lender is hereby authorized to give such notification upon the occurrence of an Event of Default and at any time thereafter while such Event of Default is continuing. Receipt and application of the Rents by Lender shall not constitute a waiver of any right of Lender under this Deed of Trust or applicable law, shall not cure any Event of Default hereunder, and shall not invalidate or affect any act done in connection with such Event of Default including, without limitation, any trustee's sale or foreclosure proceeding.

3.3 Application of Rents. All Rents collected by Grantor shall be applied in the following manner:

First, to the payment of all taxes and lien assessments levied against the Property, where provision for paying such is not otherwise made;

Second, to the payment of ground rents (if any) payable with respect to the Property;

Third, to the payment of current operating costs and expenses (including repairs, maintenance and necessary acquisitions of property and expenditures for capital improvements) arising in connection with the Property;

Fourth, to the payment of any amounts due and owing under the Obligations; and

Fifth, to Grantor or its designee.

All Rents collected by Lender may be applied to the items above listed in any manner that Lender deems advisable and without regard to the aforesaid priorities.

3.4 No Further Assignment. Grantor, without the prior written consent of Lender, shall not assign, transfer, pledge or encumber, the whole or any part of the Leases and Rents to anyone other than Lender, except as may be permitted under the Loan Agreement.

3.5 No Liability. Lender does not assume and shall not be liable for any obligation of the lessor under any of the Leases and all such obligations shall continue to rest upon Grantor as though this assignment had not been made. Lender shall not be liable for the failure or inability to collect any Rents. Neither the Assignment of Rents and Leases contained herein or in any separate assignment nor the exercise by Lender of any of its rights or remedies thereunder or in connection therewith, prior to Lender obtaining actual possession of the Property as provided in Section 7.2 hereof, shall constitute Lender a "mortgagee in possession" or otherwise make Lender responsible or liable in any manner with respect to the Property or the occupancy, operation or use thereof. In the event Lender obtains actual possession of the Property as provided in Section 7.2 hereof, Lender shall have the rights, and Lender's liability shall be limited, as provided in that section.

#### ARTICLE 4

4.1 Security Agreement. As additional security for the Obligations, Grantor hereby grants to Lender a security interest in the Personal Property. To the extent any of the Personal Property may be or have been acquired with funds advanced by Lender under the Loan Documents, this security interest shall be deemed to be a purchase money security interest. The security interest granted herein shall survive any judicial or nonjudicial foreclosure of this Deed of Trust against the Property and notwithstanding any purported cancellation of this Deed of Trust in connection with any such foreclosure, shall continue in force as against the Personal Property until all of the Obligations have been satisfied and discharged in full. Any complete release of this Deed of Trust shall, however, unless otherwise expressly set forth in such release document, constitute a release of such security interest as well. This Deed of Trust shall constitute a Security Agreement under the UCC (as defined in the Loan Agreement) with respect to all of the Property. Grantor will, from time to time and as often as requested by Lender, execute and deliver to Lender such financing statements and such other and supplemental security agreements as Lender may reasonably request to perfect the security interest created, or intended to be created, hereby and to more specifically identify the collateral subject to such security interest. No failure or omission of Lender to request any financing statement or additional or supplemental security agreement, and no failure or omission of Grantor to execute or deliver any thereof, will impair the effectiveness or priority of the security interest created by this Deed of Trust. Grantor will pay all costs of filing this Deed of Trust (to the extent permitted by law) and any financing statements, continuation or termination statements with respect thereto and any affidavits or other instruments executed, or to be executed, to perfect, renew, continue or maintain the lien and security interest created hereby. Grantor hereby appoints Lender as the agent and attorney-in-fact of Grantor to do, at Lender's option and Grantor's expense, all acts and things reasonably necessary to perfect, and maintain perfection of, the lien and security

interest created, or intended to be created, hereby.

4.2. Notice of Changes. Grantor shall give advance notice in writing to Lender of any proposed change in Grantor's name, identity or structure and shall execute and deliver to Lender, prior to or concurrently with the occurrence of any such change, all additional financing statements which Lender may require to establish and maintain the validity and priority of Lender's security interest with respect to any of the Property described or referred to herein.

4.3. Fixture Financing Statement. Some of the items of the Property described herein are goods which are or are to become fixtures related to the Property, and it is intended that, as to those goods, this Deed of Trust shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Property is situated. Information concerning the security interest created by this instrument may be obtained from Lender, as secured party, at the address of Lender stated above. The mailing address of Grantor, as debtor, is as stated above. Grantor's organizational number in the jurisdiction in which it was organized is Texas SOS File NO. 803288113 and in Nevada in which Grantor is registered as a foreign limited partnership is Document No. 20190193763-01 / Entity No. E205192019-3. Grantor agrees that any form of filing or recording permitted by statute to perfect the security interests granted in this section may be undertaken by Lender and Grantor shall execute and deliver such document or financing statement as requested by Lender. Grantor appoints Lender attorney-in-fact for Grantor, to sign or to file on Grantor's behalf any financing statement or amendment of financing statement as Lender may at any time consider necessary or appropriate.

## ARTICLE 5

5.1. Insurance. Grantor agrees to maintain insurance on all buildings and other improvements on the Mortgaged Property against damage by fire, windstorm and other risks normally insured against under so-called "all-risk coverage", in companies and amounts satisfactory to Lender. All policies evidencing such insurance shall have attached thereto standard mortgagee riders making such insurance payable to Lender as its interest may appear, and all such policies or appropriate certificates, at Lender's request, shall be deposited with it. Upon the occurrence of any insurable casualty, Lender shall have the right to adjust, compromise and settle the insurance claim as it sees fit without the joinder or approval of Grantor, or allow the Grantor to agree with the insurance company or companies on the amount to be paid upon the loss; provided that the Grantor may itself adjust losses aggregating not in excess of Fifty Five Thousand Dollars (\$55,000). In the event of any insured damage to or destruction of the Mortgaged Property or any part thereof (herein called an "Insured Casualty") and if the Mortgaged Property is required to be restored prior to Loan maturity under the terms of the Approved Lease, , and the insurers do not deny liability to the insureds, then, the proceeds of insurance shall be paid to the Grantor for the cost of restoring, repairing, replacing or rebuilding (herein generally called "Restoring") the Mortgaged Property or any part thereof subject to Insured Casualty. Except only for such Restoring in accordance with the above provisions hereof, the proceeds of insurance consequent upon any Insurance Casualty shall be applied to the payment of the Obligations.



5.3. Taxes. Grantor will pay, before same become delinquent or any penalty attaches thereto for nonpayment, all taxes, assessments and charges, general or special, of every nature and kind, that may be now or hereafter levied or assessed under any law now existing or hereafter enacted, upon the Property or any part thereof, upon the rents, issues, income or profits thereof, or upon the Obligations, whether any or all of said taxes, assessments or charges be levied directly or indirectly or as excise taxes or as income taxes, except to the extent required otherwise by the state law governing the Premises. Grantor will not suffer or permit any liens, security interests, levy, attachment or other encumbrance to become effective, or to be asserted, against any of the Property, other than the Permitted Exceptions, and will regularly and promptly submit to Lender evidence of the due and punctual payment of such taxes, assessments or charges as Lender may require from time to time. The foregoing notwithstanding, Grantor may in good faith contest, by a proper legal proceeding, the validity or amount of any such taxes, assessments or charges subject to the terms and conditions set forth in the Loan Agreement. Upon (i) violation of the foregoing in any part, (ii) the passage by the State of Nevada of any law (a) imposing payment of the whole or any part of the aforesaid taxes or assessments upon Lender, (b) deducting from the value of the Property for the purpose of taxation any liens thereon or, (c) changing in any way the laws now in force for the taxation of deeds of trust or debts secured by deeds of trust for state or local purposes or the manner of the collection of any such taxes so as to adversely affect this Deed of Trust, or (iii) the rendering by any court of competent jurisdiction of a decision holding that any undertaking by Grantor to pay such taxes or assessments, or any of them, or any similar undertaking, is in whole or in part legally inoperative or void, and if any of (i), (ii) or (iii) above would have a Material Adverse Effect (as defined in the Loan Agreement), then in such event the Obligations will, at the option of Lender, become immediately due and payable, notwithstanding anything contained in this Deed of Trust.

5.4. Additional Covenants. At all times during the term of this Deed of Trust, Grantor will:

(a) Repairs. Keep the Property in good order, condition and repair, ordinary wear and tear excepted;

(b) Waste. Not commit, permit or suffer any waste, impairment or deterioration of the Property or any part thereof, ordinary wear and tear excepted;

(c) Compliance. Comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property or the use thereof, and not suffer or permit any violation thereof;

(d) Alteration. Not demolish or alter the design or structural character of the Property or any improvements now or hereafter erected upon the Property, unless Lender shall first consent thereto in writing;

(e) Removal. Not remove without Lender's written consent any of the Property, except for purposes of replacement or repair or in the ordinary course of Grantor's business;

(f) Encumbrances. Except for Permitted Exceptions, keep the Property free from all judgments, mechanics' liens and all other statutory liens of whatsoever nature to the end that the priority of this Deed of Trust may, at all times, be maintained;

(g) Inspection. Allow Lender to examine and inspect the Property at any reasonable time or times subject to the limitations set forth in the Loan Agreement; and

(h) Fees and Expenses. Pay Lender within ten (10) days of demand together with interest accruing at the rate under the Note, all sums, including costs, expenses and reasonable agents' and attorneys' fees, it may expend or for which it may become obligated in any proceedings, legal or otherwise, to establish and sustain the lien of this Deed of Trust or its priority or in defending against any liens, claims, rights, estates, easements or restrictions of any person or persons asserting priority thereto.

5.5. Eminent Domain. All awards heretofore or hereafter made by any public or quasi-public authority to the present or any future owner of the Property by virtue of an exercise of the right of eminent domain by such authority, including any award for a taking of title, possession or right of access to a public way, or for any change of grade of streets affecting said Property, are hereby assigned to Lender. Lender, at its option, is hereby authorized and empowered to collect and receive the proceeds of any such award or awards from the authorities making the same and to give proper receipts and acquittances therefor, and may, at Lender's option, (i) apply such proceeds or any part thereof upon the Obligations, including unmatured portions thereof, (ii) use such proceeds or any part thereof to fulfill and satisfy any covenants enjoined upon Grantor herein, (iii) use such proceeds or any part thereof to replace or restore the Property to a condition satisfactory to Lender, or (iv) release such proceeds to Grantor. Upon request, Grantor agrees to make, execute and deliver any and all assignments and other instruments required for the purpose of assigning all such awards to the Lender. Notwithstanding the foregoing, if the portion of the Property taken through Eminent Domain has no adverse or negative effect on the financial performance of the Property operations the net proceeds thereof shall be remitted to the Grantor.

## ARTICLE 6

6.1. Protection of Security. If Grantor fails to pay and discharge any claim, lien or encumbrance upon the Property (which is not a Permitted Exception) or any tax, assessment or like charge that becomes due and delinquent with respect to the Property, or any insurance premium due hereunder, or fails to remove any cloud upon the title to the Property (which is not a Permitted Exception) or to keep the same in good repair, or fails to pay any amount due from Grantor under any lease or sublease, and such failure may result in conferring upon a tenant or subtenant a right to cancel the lease or sublease and/or take any such action personally and recover any sums expended in so doing as prepaid rent or as a credit or offset against any future rental obligations, or if Grantor otherwise fails to keep, observe, comply with or perform any of the terms, provisions or covenants of this Deed of Trust or any such lease or sublease, Lender may, at its option, pay any claim, lien, encumbrance, tax, assessment, insurance premium or other amount due, take action to remove any cloud upon Grantor's title, repair any waste or damage to the Property, or otherwise cure any default by Grantor, and may take any step it

deems advisable to preserve and protect the Property and, in connection with any of the foregoing, Lender may commence or appear in any action and retain counsel therein, and advance such moneys or incur obligations to pay moneys as Lender deems necessary. In making such payments, Lender will be deemed to be acting as Grantor's Lender in every particular, and any such action by Lender will not be construed or held to be a waiver of default in the terms of this Deed of Trust or to prevent Lender from declaring the entire Obligations due and payable and exercising its remedies under this Deed of Trust, whether such payment be made prior or subsequent to the exercise of the option to declare the Obligations due and to exercise its remedies under this Deed of Trust as herein provided. Lender will be the sole judge of the legality, validity and priority of any such cloud, claim, lien, encumbrance, tax, assessment or premium and of the amount or amounts necessary to be paid in satisfaction thereof or to otherwise cure any default of Grantor, provided that in exercising such judgment Lender will exercise reasonable business judgment. All sums expended by Lender in connection with any of the foregoing will bear interest at the effective rate specified in the Note from the respective dates upon which Lender expends the same, will be payable by Grantor on demand by Lender, and will constitute Obligations under the terms of this Deed of Trust. Advances or expenditures of funds by Lender pursuant to this paragraph will not be deemed to relieve Grantor from any default hereunder or to impair any right or remedy existing by virtue of any such default. The exercise of Lender's rights to make such advances and expenditures granted in this section will be optional with Lender and not obligatory and Lender will not, in any case, be liable to Grantor for a failure by Lender to exercise any such rights.

#### ARTICLE 7

7.1 Event of Default. The occurrence of an Event of Default, as defined in the Note, the Loan Agreement or any of the other Loan Documents, shall constitute an Event of Default under this Deed of Trust. It shall also be an Event of Default hereunder if Grantor sends a notice pursuant to NRS 106.380 of its election to terminate the operation of this Deed of Trust as security for future advances.

7.2 Remedies. Upon the occurrence of any Event of Default, and at any time while such Event of Default is continuing, Lender may do one or more of the following:

- (a) Declare the entire Obligations to be immediately due and payable;
- (b) Invoke the power of sale contained in this Deed of Trust and record or instruct the Trustee to record a notice of breach and election to sell all or any portion of the Property as may be designated by the Lender in the notice of breach and election to sell. Upon receipt of the same, the Trustee shall give such notice to Grantor of Grantor's rights as provided by law. Trustee shall advertise and otherwise provide notice of the time and place of sale of the Property (or the parcels subject to foreclosure) in the manner as may then be provided by law. Trustee may, from time to time, postpone or continue the sale upon request of the Lender or as otherwise required by law by declaration at the time and place last appointed for sale. No other notice of the postponed sale shall be required. After the lapse of such time as may be required by law and following the giving such notice of the sale as required by applicable law, the Trustee, without additional demand on Grantor, shall sell the Property (or the parcels subject to

foreclosure) at public auction to the highest bidder for cash at the time and place designated by the Trustee. Lender or Lender's designee may purchase the Property (or the parcels subject to foreclosure) at any sale by crediting its bid against amounts secured by this Deed of Trust. In the event of a foreclosure sale, Trustee shall apply the proceeds of sale in the following order: (i) to all reasonable costs and expenses of sale, including, but not limited to, reasonable Trustee's fees, title charges, copying expenses, appraisal fees, reasonable attorneys' fees, docket fees, environmental audit and clean-up costs, postage expenses; (ii) to all sums secured by this Deed of Trust and (iii) the excess, if any, to the person or persons legally entitled thereto. It shall not be obligatory upon the purchaser at any such sale to see to the application of any of the purchase money. The Trustee shall execute a trustee's deed to the successful bidder, as required by law. The sale or sales and such deed or deeds shall be a perpetual bar, both in law and in equity, against Grantor and all persons claiming all or any portion of the Property (or the parcels subject to foreclosure) by, through or under Grantor except as provided by applicable law. Nothing contained in this Subsection 7.2(b) shall be deemed to contradict or supersede any provision of the Nevada Revised Statutes concerning trustee's non-judicial foreclosures by power of sale. In the event of any conflict between the provisions of this Deed of Trust and the Nevada Revised Statutes as may hereafter be amended concerning trustee's non-judicial foreclosures by power of sale, the Nevada Revised Statutes shall govern to the extent of the conflict;

(c) Exercise any or all of the remedies of a secured party under the Uniform Commercial Code with respect to the Personal Property. If Lender should proceed to dispose of any Personal Property in accordance with the provisions of the Uniform Commercial Code, ten (10) days' written notice by Lender to Grantor shall be deemed to be commercially reasonable notice under any provision of the Uniform Commercial Code requiring notice. Grantor, however, agrees that all property of every nature and description, whether real or personal, covered by this Deed of Trust, together with all personal property used on or in connection with the Premises or any business conducted thereon by the Grantor and covered by separate security agreements, is encumbered as one unit, that this Deed of Trust and such security interests, at Lender's option, to the extent permitted by law, may be foreclosed or sold in the same proceeding, and that all property encumbered (both realty and personalty), at Lender's option, may be sold as such in one unit as a going business, subject to the provisions of applicable law;

(d) Without regard to the adequacy of any security, for the Obligations or the solvency of Grantor or any other person or entity, send notifications to any and all lessees and tenants under the Leases that all Rents shall be paid to Lender. Thereafter, Lender shall be entitled to collect the Rents until Grantor cures all Events of Default and may apply the Rents collected at its sole discretion to the maintenance of the Property and/or the payment of the Obligations;

(e) Apply any funds in the possession or control of Lender to the payment of the Obligations, in lieu of the purposes specified in that section;

(f) It is Grantor's express intention and agreement that the Lender may apply for and obtain, without regard to the adequacy of any security for the Obligations or the solvency of the Grantor or any other person or entity, a receiver by any court of competent jurisdiction to take charge of all the Property, to manage, operate and carry on any business then being conducted or that could be conducted on the Premises, to carry on, protect, preserve, replace and



repair the Property, and receive and collect all Rents and to apply the same to pay the receiver's expenses for the operation of the Property and then in the manner provided in Section 3.3 herein. Grantor waives any right it may have under NRS 107.100 or any other applicable laws to require Lender to make any showing or meet any obligation as a condition to the appointment of a receiver hereunder, but such waiver shall not be deemed to waive any of Grantor's rights specifically provided hereunder. Such receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice to Grantor, notice being hereby expressly waived and without any requirement for a receiver surety bond unless specifically required by applicable law. Grantor hereby consents to the appointment of such receiver and waives any and all defenses, including, but not limited to, defenses based upon venue, to such appointment and agrees not to oppose any application therefor, other than the defense that there does not then exist an Event of Default. Upon an Event of Default, Grantor's license to collect the rents, issues and profits shall automatically be revoked (without notice or demand). Lender, in person, by agent, or by judicially-appointed receiver, shall be entitled to enter upon, take possession of, and manage the Property (to the extent permitted by law), without interference from Grantor, and to collect the rents of the Property, including those past due, to use funds not disbursed pursuant to the Note to pay, settle or compromise all existing invoices, charges and claims relating to the Property and/or the improvements as it deems necessary for a clear title to the Property; prosecute and defend all actions and proceedings in connection with the Property and apply the proceeds of any judgment in such action against any of the Obligations as it determines in its sole discretion. Upon appointment of said receiver, Grantor shall immediately deliver possession of all of the Property to such receiver. Neither the appointment of a receiver for the Property by any court at the request of Lender or by agreement with Grantor nor the entering into possession of all or any part of the Property by such receiver shall constitute the Lender a "mortgagee in possession" or otherwise make Lender responsible or liable in any manner with respect to the Property or the occupancy, operation or use thereof. Grantor agrees that Lender shall have the absolute and unconditional right to the appointment of a receiver in any independent and/or separate action brought by Lender regardless of whether Lender seeks any relief in such action other than the appointment of a receiver. In that respect, Grantor waives any express or implied requirement under common law that a receiver may be appointed only ancillary to other judicial or non-judicial relief;

(g) This Deed of Trust may also be judicially foreclosed in the manner provided at law by an action at law; and/or

(h) Pursue any remedy available to Lender under this Deed of Trust, any other Loan Document, and/or any remedy available to it by law or equity, including, without limitation, a right of specific performance.

7.3 Costs and Expenses. Grantor shall pay all costs and expenses including, without limitation, costs of title searches and title policy commitments, Uniform Commercial Code searches, appraisals, environmental audits, court costs and reasonable outside attorneys' fees, incurred by the Lender in enforcing payment and performance of the Obligations or in exercising the rights and remedies of Lender hereunder. All such costs and expenses shall be secured by this Deed of Trust and by all other lien and security documents securing the Obligations. In the event of any court proceedings, court costs and attorneys' fees shall be set by the court and not by jury



and shall be included in any judgment obtained by Lender.

7.4 No Waiver. In addition to any remedies provided herein for an Event of Default, Lender shall have all other legal or equitable remedies allowed under applicable law. No failure on the part of Lender to exercise any of its rights hereunder arising upon any Event of Default shall be construed to prejudice its rights upon the occurrence of any other or subsequent Event of Default. No delay on the part of Lender in exercising any such rights shall be construed to preclude it from the exercise thereof at any time while that Event of Default is continuing. Lender may enforce any one or more remedies or rights hereunder successively or concurrently. By accepting payment or performance of any of the Obligations after its due date, Lender shall not thereby waive the agreement contained herein that time is of the essence, nor shall Lender waive either its right to require prompt payment or performance when due of the remainder of the Obligations or its right to consider the failure to so pay or perform an Event of Default.

7.5 Remedies Cumulative. Each remedy provided in the Loan Agreement, the Note, this Deed of Trust or any other instrument evidencing or securing the indebtedness secured by the Deed of Trust, is distinct from and cumulative to all other rights or remedies under the Loan Agreement, the Note, this Deed of Trust, or any other instrument evidencing or securing the indebtedness secured by the Deed of Trust, or afforded by law or equity, and may be exercised concurrently, consecutively, independently or successively at any time and from time to time. Lender may, but shall have no obligation to elect to pursue any particular remedy, including, but not limited to, foreclosure of the Property encumbered by this Deed of Trust.

7.6 Deficiency. In the event that, upon foreclosure of the Property pursuant to this Deed of Trust, the purchaser at the foreclosure sale has bid an amount less than the full indebtedness owed by Grantor and secured by this Deed of Trust, then the full amount bid and the full amount of the deficiency shall bear interest at the default rate set forth in the Loan Agreement. Thereafter, the deficiency shall be a continuing obligation of Grantor for which the Lender shall be entitled to personal monetary judgment. At all times after default, Lender shall be entitled to the default rate of interest which survive the entry of judgment.

7.7 Appraisal. Grantor agrees that it will not plead or assert the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, moratorium or extension, and Grantor, its representatives, successors and assigns hereby waive and release all rights of valuation, appraisal, stay of execution, notice of election or intention to mature or declare due the whole of the Obligations and all rights to a marshaling of the assets of Grantor, including the right to request a sale of the Property by parcels or lots thereof, or to a sale in inverse order of alienation in the event of foreclosure of the liens and security interest hereby created. No waivers of Grantor's rights to valuation or appraisal shall affect Grantor's ability to defend any deficiency action.

## ARTICLE 8

8.1. Hazardous Materials. Grantor represents and warrants that, to the best of Grantor's knowledge, after due inquiry and investigation, (a) there are no Hazardous Materials (hereinafter defined) on the Property, except those in compliance with all applicable federal, state and local laws, ordinances, rules and regulations, and (b) no owner or occupant nor any

prior owner or occupant of the Property has received any notice or advice from any governmental agency or any source whatsoever with respect to Hazardous Materials on, from or affecting the Property. Grantor covenants that the Property shall be kept free of Hazardous Materials, and neither Grantor nor any occupant of the Property shall use, transport, store, dispose of or in any manner deal with Hazardous Materials on the Property, except in compliance with all applicable federal, state and local laws, ordinances, rules and regulations. Grantor shall comply with, and ensure compliance by all occupants of the Property with, all applicable federal, state and local laws, ordinances and regulations, and shall keep the Property free and clear of any liens imposed pursuant to such laws, ordinances, rules or regulations. In the event that Grantor receives any notice or advice from any governmental agency or any source whatsoever with respect to Hazardous Materials on, from or affecting the Property, Grantor shall immediately notify Lender. Grantor shall conduct and complete all investigations, studies, sampling, and testing, and all remedial actions necessary to clean up and remove all Hazardous Materials from the Property in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. The term "Hazardous Materials" as used in this Deed of Trust shall include, without limitation, gasoline, petroleum products, explosives, radioactive materials, polychlorinated biphenyls or related or similar materials, or any other substance or local law, ordinance, rule, or regulation, but excluding Asbestos, as defined in Section 8.2, below. The obligations and liabilities of Grantor under this Section 8.1 shall survive any entry of a judgment of foreclosure, non-judicial foreclosure, or the delivery of a deed in lieu of foreclosure of this Deed of Trust.

8.2. Asbestos. Grantor represents and warrants that, to the best of Grantor's knowledge, after due inquiry and investigation, that there is no asbestos or material containing asbestos ("Asbestos") on the Property, and that no owner or occupant nor any prior owner or occupant of the Property has received any notice or advice from any governmental agency or any source whatsoever with respect to Asbestos on, affecting or installed on the Property. Grantor covenants that the Property shall be kept free of Asbestos, and neither Grantor nor any occupant of the Property shall install, or permit to be installed, Asbestos on the Property. Grantor shall comply with, and ensure compliance by all occupants of the Property with, all applicable federal, state and local laws, ordinances, rules and regulations with respect to Asbestos, and shall keep the Property free and clear of any liens imposed pursuant to such laws, ordinances, rules or regulations. In the event that Grantor receives any notice or advice from any governmental agency or any source whatsoever with respect to Asbestos on, affecting or installed on the Property, Grantor shall immediately notify Lender. Grantor shall conduct and complete all investigations, studies, sampling, and testing, and all remedial actions necessary to clean up and remove all Asbestos from the Property in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. The obligations and liabilities of Grantor under this Section 8.2, shall survive any entry of a judgment of foreclosure or delivery of a deed in lieu of foreclosure of this Deed of Trust.

## ARTICLE 9

9.1 Indemnification. Grantor shall protect, defend, indemnify and save harmless Lender from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation reasonable attorneys' fees and expenses),

imposed upon or incurred by or asserted against Lender by reason of (a) ownership of this Deed of Trust, the Property or any interest therein or receipt of any rents; (b) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (c) any use, nonuse or condition in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (d) any failure on the part of Grantor to perform or comply with any of the terms of this Deed of Trust; (e) property in respect of the Property or any part thereof; (f) the presence, disposal, escape, seepage, leakage, spillage, discharge, emission, release, or threatened release of any Hazardous Materials on, from, or affecting the Property or any other property or the presence of Asbestos on the Property; (g) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials or Asbestos; (h) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials or Asbestos; or (i) any violation of laws, orders, regulations, requirements, or demands of government authorities, which are based upon or in any way related to such Hazardous Materials or Asbestos including, without limitation, the costs and expenses of any remedial action, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses. Any amounts payable to Lender by reason of the application of this Section 9.1 shall be secured by this Deed of Trust and shall become immediately due and payable and shall bear interest at the rate accruing under the Note from the date loss or damage is sustained by Lender until paid. The obligations and liabilities of Grantor under this Section 9.1 shall survive any termination, satisfaction, assignment, entry of a judgment of foreclosure or delivery of a deed in lieu of foreclosure of this Deed of Trust.

9.2 No Waiver. The acceptance of this Deed of Trust by Lender shall not be considered a waiver of or in any way to affect or impair any other security that Lender may have, acquire simultaneously herewith, or hereafter acquire for the payment or performance of the Obligations, nor shall the taking by Lender at any time of any such additional security be construed as a waiver of or in any way to affect or impair the security of this Deed of Trust; Lender may resort, for the payment or performance of the Obligations, to its several securities therefor in such order and manner as it may determine.

9.3 Releases. Without notice or demand, without affecting the obligations of Grantor hereunder or the personal liability of any person for payment or performance of the Obligations, and without affecting the lien or the priority of the lien of this Deed of Trust, Lender, from time to time, may: (i) extend the time for payment of all or any part of the Obligations, accept a renewal note therefor, reduce the payments thereon, release any person liable for all or any part thereof, or otherwise change the terms of all or any part of the Obligations; (ii) take and hold other security for the payment or performance of the Obligations and enforce, exchange, substitute, subordinate, waive or release any such security; (iii) consent to the making of any map or plat of the Property; (iv) join in granting any easement on or in creating any covenants, conditions or restrictions affecting the use or occupancy of the Property; (v) join in any extension or subordination agreement; or (vi) release any part of the Property from this Deed of Trust. Any such action by Lender, may be taken without the consent of any junior lienholder and shall not affect the priority of this Deed of Trust over any junior lien.

9.4 Waiver of Marshaling. Grantor waives and agrees not to assert: (i) any right to require Lender to proceed against any guarantor, to proceed against or exhaust any other security for the Obligations, to pursue any other remedy available to Lender, or to pursue any remedy in any particular order or manner; (ii) the benefits of any legal or equitable doctrine or principle of marshaling; (iii) the exemption of homestead or any other exemption in the Property under any state or federal law now or hereafter enacted; (iv) the benefits of any statute of limitations affecting the enforcement hereof; provided that any action brought to enforce this lien is commenced within fifteen (15) years of the date of recording; (v) demand, diligence, presentment for payment, protest and demand, and notice of extension, dishonor, protest, demand and nonpayment, relating to the Obligations; and (vi) any benefit of, and any right to participate in, any other security now or hereafter held by Lender. Grantor authorizes Lender, without notice or demand, without affecting the Obligations of Grantor hereunder or the personal liability of any person for payment or performance of the Obligations and without affecting the lien or the priority of the lien of this Deed of Trust, from time to time, upon the agreement of any person primarily obligated therefor, to renew, compromise, extend, accelerate or otherwise change the time for payment or performance of, or otherwise change the terms of, all or any part of the Obligations, including increase or decrease any rate of interest thereon. Grantor waives and agrees not to assert: (i) any right to require Lender to proceed against any person liable for the Obligations; (ii) the benefits of any statutory provision limiting the liability of a surety; and (iii) any defense arising by reason of any disability or other defense of any person liable for the Obligations or by reason of the cessation from any cause whatsoever of the liability of Grantor. Grantor shall have no right of subrogation and hereby waives any right to enforce any remedy which Lender now has, or may hereafter have, against any person liable for the Obligations.

9.5 Release of Lien. At such time when all of the Obligations have been paid in full and there exist no further Obligations owed by Grantor to Lender, then Lender, upon payment of Lender's reasonable out of pocket expenses incurred in connection with the release, shall file a request with the Trustee to release the Deed of Trust within the time and in the manner provided by law.

9.6 Inspection. Lender shall have the right to inspect the Property at all reasonable times upon reasonable prior notice unless upon emergency and to use (but not reproduce) all plans and specifications for improvements on the Premises, including without limitation, all studies, estimates, data, and drawings as shall be deemed necessary in the exercise of Lender's rights under this Deed of Trust.

9.7 Time of Essence. Time is of the essence hereof. This Deed of Trust shall be binding upon, and shall inure to the benefit of, the parties hereto and their successors and assigns. The term "Lender" shall include not only the original Lender signatory parties to the Loan Agreement but also any future owner and holder, including pledgees, of any of the Note. The provisions hereof shall apply to the parties according to the context thereof and without regard to the number or gender of words or expressions used.

9.8 Acceptance. The acceptance by Lender of this Deed of Trust shall be evidenced when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. The lien of this Deed of Trust created hereby is irrevocable by Grantor.



9.9 Amendment. This Deed of Trust cannot be changed except by agreement, in writing, signed by Grantor and Lender.

9.10 Interpretation. Each term, condition and provision of this Deed of Trust shall be interpreted in such manner as to be effective and valid under applicable law but if any term, condition or provision of this Deed of Trust shall be held to be void or invalid, the same shall not affect the remainder hereof which shall be effective as though the void or invalid term, condition or provision had not been contained herein.

9.11. Notices. All notices given pursuant to this Deed of Trust will be in writing and will be delivered as set forth in the Loan Agreement.

9.12 Subrogation to Prior Liens. If the money loaned or advanced by the Lender and secured hereby shall be used to pay off or discharge any lien or encumbrance upon or against the Property, Lender, at its option, will be subrogated to all such liens or encumbrances so discharged, satisfied or paid, even though same may be released of record, and to all the rights of the person or persons to whom such payments have been made, and may immediately enforce the same against Grantor and the Property.

9.13 Governing Law. **THIS DEED OF TRUST SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS; PROVIDED THAT THE PROVISIONS FOR THE CREATION, PERFECTION, AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED PURSUANT HERETO SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE OF NEVADA.**

9.14 Waiver of Jury Trial. **THE UNDERSIGNED GRANTOR AND LENDER (BY ITS ACCEPTANCE HEREOF) HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG THE UNDERSIGNED AND LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS DOCUMENT, ANY OTHER LOAN DOCUMENT. THIS SECTION 9.14 IS A MATERIAL INDUCEMENT TO THE LENDER TO PROVIDE THE FINANCING DESCRIBED HEREIN OR IN THE OTHER LOAN DOCUMENTS.** Lender's intentional failure or refusal to enforce the provisions of this Deed of Trust, Lender's delay in enforcing its provisions, Lender's waiver of any provision of this Deed of Trust, or Lender's release of any of the Property, shall not constitute a defense or claim by Grantor, and Grantor hereby consents to such actions and waivers.

9.15 Captions. The captions and headings of the Sections of this Deed of Trust are for convenience only and are not to be used to interpret or define the terms and provisions of this Deed of Trust.

9.16 Conflicts with Loan Agreement. Notwithstanding anything to the contrary contained in this Deed of Trust, in the event of any conflict or inconsistency between the terms and conditions contained in this Deed of Trust (including, without limitation, Sections 5.1, 5.5,



8.1, 8.2 and 9.1 hereof) and the terms and conditions contained in the Loan Agreement, the terms and conditions contained in the Loan Agreement shall control the resolution of any such conflict or inconsistency.

9.17 Undefined Terms. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Loan Agreement.

9.18 Adoption of Covenants. To the Extent not inconsistent with any terms or provisions of this Deed of Trust, the following covenants, Nos. 1, 2 (full replacement value), 3, 4 (Default Rate), 5, 6, 7 (reasonable counsel fees and costs actually incurred), 8, and 9 of NRS 107.030 are hereby adopted and made a part of this Deed of Trust. If any of the forgoing covenants conflict with the terms or provisions of this Deed of Trust, the terms and provisions of this Deed of Trust shall control.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, these presents are executed on the date indicated above.

"Grantor" **JH – GARDNERVILLE, LLC**, a Texas limited liability company

By: Jones/Hummel Holdings, LLC, a Texas limited liability company, its managing member

By: [Signature]  
Name: Ben Hummel  
Title: VP

STATE OF Texas §  
  §  
COUNTY OF Dallas §

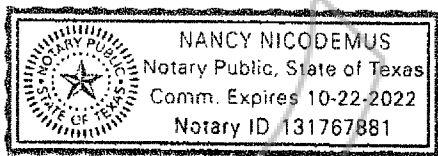
I, Nancy Nicodemus, a notary public in and for the State of Texas and County of Dallas, do certify that Ben Hummel, whose name is signed to the writing above, bearing the date December 6<sup>th</sup>, 2019, has acknowledged the same before me as the Vice President of Jones/Hummel Holdings, LLC, a Texas limited liability company, in its capacity as the managing member of JH – GARDNERVILLE, LLC, a Texas limited liability company, on behalf of said limited liability company

Given under my hand this 6<sup>th</sup> day of December, 2019.

[Signature]  
Notary Public

Commission No.: 131767881  
My commission expires: 10/22/2022

[SEAL]



**EXHIBIT A**

**Legal Description**

All that certain real property situate in the County of Douglas, State of Nevada, as shown on that certain Reversion To Acreage for HERITAGE BANK OF NEVADA, Reversion Of The Line Between Parcel 2 and Parcel 3 Within Document No. 763100, situate with a portion of Sections 3 and 4, Township 12 North, Range 20 East, M.D. M., more particularly described as follows:

TRACT 1:

**REVERSION RESULTANT PARCEL**

A portion of the East Half (E 1/2) of Section 4, and the West Half (W 1/2) of Section 3 of Township 12 North, Range 20 East, M,D.B. & M, and set forth as Adjusted Parcel 2 in Boundary Line Adjustment Grant, Bargain, Sale Deed recorded March 25, 2009 as Document No. 740141 and Parcel 3 in Grant, Bargain, Sale Deed recorded in the office of the County Recorder of Douglas County, Nevada on May 4, 2010, in Book 510, Page 690 as Document No. 763100 of Official Records Douglas County, Nevada, being more particularly described as follows:

Commencing at the most Northerly corner of adjusted Parcel One as shown on the Record of Survey for Colonial Bank NA. recorded December 27, 2007, in the office of the recorder of Douglas County Nevada as Document No. 715367;

Thence along the Easterly line of adjusted Parcel One and adjusted Parcel Two as shown on said map, South 00° 21'36" West, a distance of 184.02 feet to the POINT OF BEGINNING;

THENCE continuing along the Easterly Line of said adjusted Parcel Two South 00° 21'36" West, a distance of 194.33 feet;

THENCE curving to the right along the arc of a 150.00 foot radius curve, concave Westerly, through a central angle of 37°26'52", with an arc length of 98.04 feet;

THENCE South 37° 48'28" West, a distance of 24.22 feet to the East line of the Southeast Quarter (SE 1/4) of said Section 4 as shown on the Record of Survey for Douglas County filed for record on November 24, 2008, in Book 1108, Page 4361, as Document No. 733504 in the Douglas County Nevada Recorder's Office;

THENCE along the East line of said Section 4, South 00° 39'29" West 71.31 feet to the Easterly right-of-way of U.S. Highway 395;

THENCE along the arc of a nontangent curve to the left having a radius of 5,060.00 feet, central angle of 00° 11'03", arc length of 16.26 feet and chord bearing and distance of North 37° 43'44" West, 16.26 feet to a point on the Easterly

right-of-way of U.S. Highway 395, also being the Westerly line of that portion of right-of-way abandoned in Resolution of Abandonment of a Portion of State Highway Right-of-Way, recorded November 20, 2002, in said office of Recorder, in Book 1102, at Page 8530, as Document No. 558501;

THENCE along said Easterly right-of-way, along the arc of a curve to the left, having a radius of 5,060.00 feet, central angle of 01° 05' 16", arc length of 96.07 feet and chord bearing and distance of North 38° 21' 53" West 96.06 feet to the Southwesterly corner of a parcel of land described in a Grant Bargain and Sale Deed between Douglas County and G.T.E.B., LLC, recorded April 22, 2003, in said office of Recorder, in Book 0403, at Page 10825, as Document No. 574312;

THENCE along said right-of-way from a tangent bearing North 38°54'33" West, curving to the left along the arc of a 5,060.00 foot radius curve concave Southwesterly, through a central angle of 02°14'58", with an arc length of 198.65 feet to a point, a radial line to said point bears North 48°50'29" East;

THENCE departing said right-of-way, North 61°07'36" East, a distance of 280.60 feet TO THE POINT OF BEGINNING.

REFERENCE being made to that certain Reversion to Acreage For HERITAGE BANK OF NEVADA, reversion of the line between Parcel 2 and Parcel 3 within Document No. 763100 situate within a portion of Sections 3 and 4, Township 12 North, Range 20 East, M.D.M., recorded on March 25, 2019, as Document No. 2019-927016, Official Records, Douglas County, Nevada.

THE BASIS OF BEARING for this description is identical to the Parcels in Grant, Bargain, Sale Deed recorded in the office of the County Recorder of Douglas County, Nevada on May 4, 2010, in Book 510, Page 690 as Document No. 763100 of Official Records Douglas County, Nevada.

NOTE: Portions of the above metes and bounds description appeared previously in that certain Grant, Bargain, Sale Deed recorded in the office of the County Recorder of Douglas County, Nevada on May 4, 2010, in Book 510, Page 690 as Document No. 763100 of Official Records. This Legal Description has been prepared from information on recorded documents and maps.

NOTE: The above metes and bounds description was prepared by Dean Neubauer, PLS# License No. PLS 9392, if applicable, at Lumos & Associates, Inc., 308 N. Curry Street, Suite 200, Carson City NV. 89703.

**TRACT 2:**

Easement rights under that certain Access Easement Agreement dated May 15, 2019 by and between Heritage Bank of Nevada and JH-Gardnerville, LLC, a Texas limited liability company, filed of record, May 15, 2019, under Document No. 2019-929088, Official Records Douglas County, Nevada.

NOTE: The above metes and bounds description appeared previously in that certain Grant, Bargain and Sale Deed recorded in the office of the County Recorder of Douglas County, Nevada on May 15, 2019, as Document No. 2019-929089 of Official Records.

APN: 1220-04-002-020

**EXHIBIT B**

Permitted Exceptions

1. Taxes and assessments for the current year (2019), including all taxes now or heretofore assessed, not yet due or payable.
2. Exceptions shown as items 14, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32 and 33 on Schedule B, Part II of that certain ALTA Commitment for Lender's Policy of Title Insurance issued by Westcor Land Title Insurance Company, File No. 104817-ARJ with an effective date of November 1, 2019.

