

SECOND DEED OF TRUST

APN: 1420-05-201-011

The undersigned hereby affirms that this document, including any exhibits, hereby submitted for recording DOES NOT contain the social security number of a person or persons as required by law.

WHEN RECORDED RETURN TO:

JC VALLEY KNOLLS 2 LLC, a Nevada limited liability company
5400 Equity Avenue
Reno, NV 89502

SECOND DEED OF TRUST WITH ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS SECOND DEED OF TRUST WITH ASSIGNMENT OF RENTS AND SECURITY AGREEMENT ("**Deed of Trust**"), is made this 11 day of February, 2021, between **JC VALLEY KNOLLS 2 LLC** ("**Trustor**"), whose address is 5400 Equity Avenue, Reno, Nevada 89502, **FIRST CENTENNIAL TITLE COMPANY OF NEVADA** ("**Trustee**"), whose address is 1450 Ridgeview Drive, Suite 100, Reno, Nevada 89519, and **PAUL BASAGOITIA** ("**Beneficiary**"), whose address is 5210 Bellazza Ct, Reno, Nevada 89519 This Deed of Trust is made to secure payment of a Promissory Note dated December 27, 2018 between Daybreak, LLC as Maker and Paul Basagoitia as Holder in the amount of \$1,200,000.00 and all Amendments thereto, which was previously assigned by Daybreak, LLC to JC Blackstone, LLC, and JC VALLEY KNOLLS 2 LLC to Trustor of even date herewith, as memorialized in that certain Assignment of JC Blackstone, LLC's Interest in Promissory Note and Amendment Thereto, to JC Valley Knolls 2 LLC.

1. Trustor hereby ^{Douglas} IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, that land located in ~~WASHOE COUNTY~~, NEVADA, Assessor's Parcel No. 1420-05-201-011, described in Exhibit A attached to and incorporated in this Deed of Trust, together with all of Trustor's right, title and interest in and to (i) any and all structures, facilities, fixtures, and all other improvements now or hereafter located on the Land ("**Improvements**"), and (ii) any and all tenements, hereditaments, rights, privileges, easements, access rights, rights-of-way and appurtenances now or hereafter used or connected with the Land or Improvements, including, without limitation, air rights, minerals and mineral rights, oil, gas and other hydrocarbon substances (collectively, "**Appurtenances**", and together with the

Land and Improvements, the “**Real Property**”), and (iii) together with the rents, issues and profits arising from the Real Property, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits. Beneficiary understands that this Second Deed of Trust is subordinate to a Deed of Trust encumbering the Property that was recorded prior to the date of recording of this Deed of Trust.

2. Trustor hereby further GRANTS, ASSIGNS AND TRANSFERS to Beneficiary a security interest in all of Trustor’s right, title and interest in and to all (i) architectural, site, grading, landscaping, and other permits relating to the Real Property, (ii) applications, development rights and credits, other credits, reimbursements, refunds, deposits, licenses, approvals, certificates, authorizations, and entitlements arising from or relating to the Real Property, (iii) commitments from and agreements with any government authority with regard to the Real Property, including, without limitation, will serve letters relating to the Real Property, (iv) transferable guarantees and warranties covering the Real Property, (v) contract rights that Buyer expressly agrees to assume relating to the Real Property, (vi) books, records, reports, test results, environmental assessments, designs, plans, specifications and other similar documents and materials relating to the development, use, operation, maintenance or repair of the Real Property or the construction or fabrication thereof, (vii) transferable utility contracts relating to the Real Property, to the extent assignable, (viii) trademarks and trade names used in connection with the Real Property, and (ix) personal property and fixtures, if any, used in the operation, ownership or maintenance of the Real Property, or located on or within the Real Property, or benefitting the Real Property (collectively, “**Personal Property**” and together with the Real Property, “**Property**”). This Deed of Trust shall constitute a security agreement pursuant to the Article 9 of the Uniform Commercial Code of Nevada, Nevada Revised Statutes 104.9101, et seq. with respect to the above-described Personal Property.

3. The Second Deed of Trust is hereby granted and is for the purpose of securing: (1) payment of the sum of **\$ 1,200,000.00** (“**Original Principal Amount**”) with interest thereon according to the terms of a promissory note of even date herewith made by Trustor payable to order of Beneficiary, and all extensions or renewals thereof; and (2) the performance of each agreement of Trustor in the referenced promissory note and this Deed of Trust; (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or to Trustor’s successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust; (4) payment of the expenses and costs incurred or paid by Beneficiary in the preservation, enforcement and realization of the rights of Beneficiary under this Deed of Trust, including, but not limited to, attorney’s fees, court costs, other litigation expenses and foreclosure expenses; (5) payment of the expenses and costs incurred or paid by Beneficiary to preserve, maintain and rehabilitate the property; and (6) payment of the expenses and costs incurred or paid by Beneficiary in performing the duties of Trustor pursuant to the obligations secured hereby or under this Deed of Trust for the account of Trustor.

4. This Second Deed of Trust shall release and replace that certain Second Deed of Trust between JC Blackstone, LLC as Trustor and Paul Basagoitia as Beneficiary, which was recorded by the Washoe County Recorder’s Office in Washoe County, State of Nevada, on February 28, 2021, Document No. **5005480**, concerning the real property located in Washoe County, State of Nevada, Assessor’s Parcel No. 534-562-07.

5. Trustor hereby authorizes Beneficiary to file financing statements, amendments, and continuation statements in such filing offices as Beneficiary may determine appropriate in connection with the security interest granted herein in the Personal Property, all without any further approval, execution, signature, or consent of Trustor.

6. If Trustor, or any successor in interest of Trustor in the property or collateral encumbered by this Second Deed of Trust (and security interest) shall sell, transfer or convey, whether voluntarily or involuntarily, or contract to sell, transfer or convey, such property, or any portion thereof, or any interest therein, then, at the option of Beneficiary, the then unpaid balance of principal and interest due under the obligations secured by this Second Deed of Trust shall forthwith become due and payable although the time of maturity otherwise expressed therein shall not have arrived. Consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions.

7. The rights, powers and remedies given to Beneficiary by this Second Deed of Trust shall be in addition to all rights, powers and remedies given to Beneficiary by virtue of any statute or rule of law. With respect to the security interest granted in the Personal Property, Beneficiary shall have all the rights and remedies granted to a secured party under Article 9 of the Uniform Commercial Code in Nevada, as well as all other rights and remedies available at law or in equity. Any forbearance or failure or delay by Beneficiary in exercising any right, power or remedy hereunder shall not be deemed to be a waiver of any other right, power or remedy, nor as a continuing waiver.

8. Upon the occurrence of a default hereunder, Beneficiary may, at its option, declare immediately due and payable all obligations of Trustor to Beneficiary secured by the property, and the same shall thereupon become immediately due and payable without notice to, or demand on, Trustor, except as otherwise required by law. In the event of a non-monetary default, the non-defaulting party shall send written Notice of Default to the defaulting party, in which case the defaulting party shall have Fifteen (15) days to cure any non-monetary defaults.

9. The undersigned Trustor requests that a copy of any notice of default and any notice of sale hereunder be mailed to Trustor at Trustor's address above set forth.

10. If more than one person signs this Second Deed of Trust as Trustor, their obligations under this Deed of Trust shall be joint and several.

11. Beneficiary has the right to approve any subsequent assignments of the Note by the Trustor to any third parties.

12. Beneficiary has the right to sell and/or transfer the Note in the event of Beneficiary's liquidation. Trustor shall have the right of first refusal in the event of Beneficiary's sale of the Note.

TRUSTOR:

JC VALLEY KNOLLS 2 LLC
a Nevada limited liability company

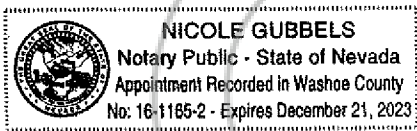
By: [Signature]
Name: Kenneth D Hendrix
Title: Manager

BENEFICIARY:

By: [Signature]
Name: **PAUL BASAGOITIA**

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on FEBRUARY 11, 2021 by KENNETH HENDRIX, as MANAGER of JC BLACKSTONE, LLC, a Nevada limited liability company.



[Signature]
Notary Public
My Commission Expires: 12/21/23

THIS INSTRUMENT IS BEING RECORDED AS AN ACCOMMODATION ONLY. NO LIABILITY, EXPRESS OR IMPLIED, IS ASSUMED AS TO ITS REGULARITY OR SUFFICIENCY NOR AS TO ITS EFFECT, IF ANY, UPON TITLE TO ANY REAL PROPERTY DESCRIBED THEREIN.
FIRST CENTENNIAL TITLE COMPANY OF NEVADA

Exhibit "A"

The Land is described as follows:

Parcel 1:

All that certain real property situate in the Northwest 1/4 of Section 5, Township 14 North, Range 20 East, MDM and being a portion of Parcel 1, as shown on that certain Map of Division Into Large Parcels LDA 09-010, filed for Big George Ventures LLC, recorded June 10, 2009, in Book 609, Page 3114, as Document No. 744835, of Official Records of Douglas County, Nevada, and being described as follows:

Beginning at the northwest corner of said parcel 1;

Thence S. 89°08'50" E., 662.87 feet along the north line of said Parcel 1;

Thence continuing along said north line, S. 89°33'38" E., 188.12 feet;

Thence S. 00°05'20" E., 175.25 feet;

Thence along a tangent curve to the right having a radius of 160.00 feet, a central angle of 33°52'47" and an arc length of 94.61 feet;

Thence S. 33°47'27" W., 192.75 feet;

Thence along a tangent curve to the left having a radius of 350.00 feet, a central angle of 33°19'06" and an arc length of 203.53 feet;

Thence S. 00°28'21" W., 99.74 feet;

Thence along a tangent curve to the right having a radius of 150.00 feet, a central angle of 32°37'18" and an arc length of 85.40 feet;

Thence S. 33°05'39" W., 129.14 feet;

Thence along a tangent curve to the right having a radius of 150.00 feet, a central angle of 57°45'31" and an arc length of 151.21 feet;

Thence N. 89°08'50" W., 449.99 feet to the west line of said Parcel 1;

Thence N. 00°55'03" E., 977.85 feet along said west line to the Point of Beginning.

Reference is hereby made to that certain Record of Survey in Support of a Boundary Line Adjustment for Big George Ventures Inc., recorded December 7, 2020, as Document No. 2020-957850.

Said parcel is further shown as Parcel "M", on that certain Record of Survey in Support of a Boundary Line Adjustment for Big George Ventures Inc., recorded December 7, 2020, as Document No. 2020-957850.

Note: the above legal description previously appeared in Boundary Line Adjustment and Quitclaim Deed, recorded December 9, 2020, as Document No. 2020-957851, of Official Records.

Assessors Parcel No.: 1420-05-201-011