

DOUGLAS COUNTY, NV

2022-991977

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\$40.00 Pgs=19

11/29/2022 03:54 PM

TICOR TITLE - GARDNERVILLE

KAREN ELLISON, RECORDER

APN # 1320-30-718-001 and 1320-30-718-002

Escrow # 02201194-RLT

The undersigned hereby affirms that this document submitted for recording does not contain the social security number of any person or persons.
(Pursuant to NRS 239b.030)

Recording Requested by and Return to:

TICOR TITLE OF NEVADA, INC.
1483 US Highway 395 N, Suite B
Gardnerville, NV 89410

Deed of Trust, Assignment of leases and rents, security agreement and fixture filing

(Title on Document)

DOCUMENT NO 2022-984550 IS BEING RE-RECORDED TO CORRECT THE LEGAL DESCRIPTION

This page added to provide additional information required by NRS 111.312 Sections 1-2 (Additional recording fee applies).

This cover page must be typed or printed clearly in black ink only.

DOUGLAS COUNTY, NV 2022-984550
Rec:\$40.00
\$40.00 Pgs=16 05/04/2022 03:18 PM
TICOR TITLE - GARDNERVILLE
KAREN ELLISON, RECORDER

Assessor's Parcel No. 1320-30-718-001 and 1320-30-718-002

RECORDING REQUESTED BY,
AND WHEN RECORDED, MAIL TO:

Genesis Capital, LLC,
a Delaware limited liability company
15303 Ventura Boulevard, Suite 700
Sherman Oaks, CA 91403
Attention: Lending Department

(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

Property Address: 1640 and 1642 Buttonwillow Street, Minden, NV 89423
Loan No.: G22028302
County: Douglas

THIS INSTRUMENT COVERS GOODS THAT ARE OR WILL BECOME FIXTURES ON THE DESCRIBED REAL PROPERTY AND SHOULD BE FILED FOR RECORD IN THE REAL PROPERTY RECORDS WHERE MORTGAGES AND DEEDS OF TRUST ON REAL ESTATE ARE RECORDED. THIS INSTRUMENT SHOULD ALSO BE INDEXED AS A UNIFORM COMMERCIAL CODE FINANCING STATEMENT COVERING GOODS THAT ARE OR WILL BECOME FIXTURES ON THE DESCRIBED REAL PROPERTY, THE MAILING ADDRESSES OF THE SECURED PARTY AND THE DEBTOR ARE WITHIN.

THIS INSTRUMENT SECURES FUTURE ADVANCES.

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

THIS DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (the "Security Instrument") is made as of 4/27/2022, by MONTE VISTA MINDEN LLC, a Nevada limited liability company ("Borrower"), having its principal place of business at 2231 Meridian Boulevard Suite 5, Minden, Nevada 89423, as grantor, to Ticor Title of Nevada, Inc. ("Trustee"), having an address at 1483 US Highway 395 N, Suite B, Gardnerville, NV 89410, as trustee, for the benefit of GENESIS CAPITAL, LLC, a Delaware limited liability company ("Beneficiary"), having an address at 15303 Ventura Boulevard, Suite 700, Sherman Oaks, CA 91403, as beneficiary.

1. **DEFINITIONS.** Certain terms used in this Security Instrument are defined below; and certain other terms used in this Security Instrument are defined elsewhere in this Security Instrument. Except as otherwise indicated: terms defined in the Note shall have the same meaning when used in this Security Instrument or other Loan Document; and terms defined in the Loan Documents other than this Security Instrument shall have the same meaning when used herein or in the Note.

"Event of Default" means the occurrence of any "Event of Default" as defined in the Loan Agreement.

ID: 2022-981550
County: DOUGLAS
Date: 5-4-22 Time: 3:18 PM

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"Event of Default" means the occurrence of any "Event of Default" as defined in the Loan Agreement.

"**Loan**" means the loan evidenced by the Note.

"**Loan Agreement**" means that certain Term Loan Agreement dated as of 4/27/2022 between Beneficiary and Borrower, as amended from time to time.

"**Loan Documents**" means the Note, the Loan Agreement, this Security Instrument, each other "**Security Instrument**" as defined in the Loan Agreement (if any), and any other documents or instruments now or hereafter securing or evidencing the Note or the obligations secured by this Security Instrument and all other "**Loan Documents**" as defined in the Loan Agreement.

"**NRS**" means Nevada Revised Statutes.

"**Note**" means that certain Promissory Note dated as of 4/27/2022, in the maximum principal amount of \$1,125,000.00, executed by Borrower and payable to the order of Beneficiary in evidence of the Loan, and any amendments or supplements thereto or any renewals or replacements thereof.

"**Personal Property**" means all "Accounts", "Cash proceeds", "Chattel paper", "Collateral", "Commercial tort claims", "Deposit accounts", "Documents", "Electronic chattel paper", "Equipment", "Fixtures", "General intangibles", "Goods", "Instruments", "Inventory", "Investment property", "Letter-of-credit rights", "Noncash proceeds", "Payment intangibles", "Proceeds", "Software", "Supporting Obligations", and "Tangible chattel paper", as defined in the Uniform Commercial Code and any and all other personal property in which Borrower has any interest, whether currently owned or hereafter acquired, relating to, generated from, arising out of or incidental to the ownership, development, use or operation of the Real Property (whether or not subsequently removed from the Real Property), other than that portion of the Property consisting of the Real Property.

"**Property**" means all of the real, personal, tangible and intangible property, rights, interests and estates now owned, or hereafter acquired by Borrower, including the following: (1) the real property described in Exhibit A attached hereto and incorporated herein by reference, together with all buildings and other improvements (the "**Improvements**") now or hereafter located thereon, and any and all right, title or interest in any other real property or improvements comprised in such real property, which right, title or interest is acquired after the date of this Security Instrument (such real property, buildings, improvements and after acquired interest being hereinafter collectively referred to as the "**Real Property**"); (2) the Personal Property; (3) all easements and other rights now or hereafter made appurtenant to the Real Property; (4) all additions and accretions to the Real Property; (5) all fixtures, machinery, equipment, and appliances at any time attached to, or located in or on the Real Property in which Borrower has an interest; (6) all rights in or to existing or future streets or public places; (7) all existing and future minerals, oil, gas and other hydrocarbon substances upon, under or through the Real Property; (8) all water and water rights, pumps and pumping plants, and existing and future water stock relating thereto; (9) declarant's rights under any covenants, conditions and restrictions (including all supplemental addenda thereto, the "**CC&Rs**"), pertaining to the real property described on Exhibit A, hereto, provided, however, that Beneficiary shall have no liability under such declarant's rights unless and until Beneficiary forecloses on the real property; (10) all existing and future shares of stock or other evidence of ownership of any part of the foregoing property and all intangible property and rights relating to the foregoing property, or the operation thereof or used in connection therewith, including all options, sales contracts and rights of first refusal of any nature whatsoever, covering all or any portion of such property, together with any deposits or other payments made in connection therewith, existing and future development rights, permits

and approvals, air rights and other similar land use permits, approvals or entitlements; and (11) all proceeds of any of the foregoing. Any reference in this Security Instrument to the "Property" means the Property described in this Section, any part thereof, or any interest therein.

"Transfer" means the occurrence of any "Transfer" as defined in the Loan Agreement.

"Uniform Commercial Code" means the Uniform Commercial Code as enacted in the State of Nevada, NRS Chapters 104 and 104A, as amended from time to time.

2. **GRANT IN TRUST.** Borrower does hereby irrevocably and unconditionally mortgage, grant, bargain, sell, pledge, assign, warrant, transfer, and convey the Property (to the extent not already pledged or assigned for the benefit of Beneficiary pursuant to a different Security Instrument, with respect to the Personal Property) to Trustee, in trust, with power of sale and right of entry and possession, for the benefit of Beneficiary, for the purposes and upon the terms and conditions hereinafter set forth.

3. **ASSIGNMENT OF RENTS.** Borrower absolutely, unconditionally and irrevocably assigns to Beneficiary the rents, royalties, issues, profits, security deposits and income of the Property for the purposes and upon the terms and conditions hereinafter set forth including the license granted in Section 6.7 hereof. The foregoing assignment shall not impose upon Beneficiary any duty to produce rents from the Property, and such assignment shall not cause Beneficiary to be a "mortgagee in possession" for any purpose. This assignment is an absolute and present assignment from Borrower to Beneficiary and not merely the passing of a security interest, subject only to the provisions hereinafter contained pertaining to Borrower's right to collect rents, issues and profits of the Property.

4. **OBLIGATIONS SECURED.** Borrower makes the foregoing grant and assignment for the purpose of securing the following in such order of priority as Beneficiary may determine (the "Obligations"):

4.1 **Payment of Loan.** Payment to Beneficiary of the Loan and all other indebtedness and other amounts evidenced by or arising under the Note or any of the other Loan Documents (including, without limitation any Advances made prior to or after the date hereof), including, but not limited to, sums added to the principal balance of the Note in accordance with the terms thereof or in accordance with the terms of the other Loan Documents, together with interest thereon, and all prepayment, late charges or other charges or fees payable by Borrower pursuant to any of the Loan Documents, and any and all modifications, extensions, renewals or substitutions of any Loan Document whether or not evidenced by a new or additional promissory note or notes; and

4.2 **Performance Under Loan Documents.** Performance of and compliance with each agreement, undertaking, obligation, warranty or representation of Borrower or any other person contained in any of the Loan Documents, or incorporated therein by reference, or in any and all documents, leases or instruments assigned to Beneficiary or executed in Beneficiary's favor and delivered thereunder, and payment of all sums, fees, costs and expenses as therein set forth or which may otherwise be advanced by or due to Trustee or Beneficiary under any provision of any of the Loan Documents, with interest thereon at the rate provided therein. However, if any document now or hereafter executed by Borrower and Beneficiary contains any obligation, covenant, representation or warranty of Borrower that by its express terms, or by the express terms of such document, is not intended to be secured by this Security Instrument, then such obligation, covenant, representation or warranty shall not be secured by this Security

Instrument or any other Loan Document (but only to the extent necessary, with respect to temporal applicability, scope or otherwise, to render the same unsecured), and to the extent (if any) that such unsecured obligation, covenant, representation or warranty may be repeated in any provision of this Security Instrument or any other Loan Document, it shall be deemed stricken and excluded from this Security Instrument and such Loan Document (but only to the extent necessary, with respect to temporal applicability, scope or otherwise, to render the same unsecured) from and after the date on which such unsecured obligation, covenant, representation or warranty arises and becomes effective under terms of the document in which it is contained.

5. SECURITY AGREEMENT AND FIXTURE FILING

5.1 Grant of Security Interest. Borrower hereby grants to Beneficiary a security interest in the Personal Property (to the extent not already pledged and assigned for the benefit of Beneficiary pursuant to a different Security Instrument) to secure all of the Obligations and all other obligations of Borrower to Beneficiary contained in this Security Instrument and any other Loan Documents. This Security Instrument constitutes a security agreement with respect to all personal property in which Beneficiary is granted a security interest hereunder, and Beneficiary shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as well as all other rights and remedies available at law or in equity.

5.2 Perfection. Borrower will execute, acknowledge, deliver and cause to be recorded or filed, in the manner and place required by any present or future law, any instrument that may be requested by Beneficiary to publish notice or protect, perfect, preserve, continue, extend, or maintain the security interest and lien, and the priority thereof, of this Security Instrument or the interest of Beneficiary in the Property, including, without limitation, deeds of trust, security agreements, financing statements, continuation statements, and instruments of similar character, and Borrower shall pay or cause to be paid (i) all filing and recording taxes and fees incident to each such filing or recording, (ii) all expenses, including without limitation, actual attorneys' fees and costs, incurred by Beneficiary in connection with the preparation, execution, and acknowledgement of all such instruments, and (iii) all federal, state, county and municipal stamp taxes and other taxes, duties, imposts, assessments, and charges arising out of or in connection with the execution and delivery of such instruments. Borrower hereby irrevocably constitutes and appoints Beneficiary as the attorney in fact of Borrower, to execute, deliver and, if appropriate, file and record with the appropriate filing officer or office any such instruments. In addition, Borrower hereby authorizes Beneficiary to cause any financing statement or fixture filing to be filed or recorded without the necessity of any signature of Borrower on such financing statement or fixture filing, and agrees that any such financing statement or fixture filing may describe the collateral as "all assets of Borrower".

5.3 Remedies. Upon the occurrence of any Event of Default, Beneficiary shall have the right to cause any of the Property that is Personal Property and subject to the security interest of Beneficiary hereunder to be sold at any one or more public or private sales as permitted by applicable law, and Beneficiary shall further have all other rights and remedies, whether at law, in equity, or by statute, as are available to secured creditors under applicable law, specifically including, without limitation, the right to proceed as to both the real property and the personal property contained within the Property as permitted by Uniform Commercial Code. Any such disposition may be conducted by an employee or agent of Beneficiary or Trustee. Any person, including both Trustee and Beneficiary, shall be eligible to purchase any part or all of such property at any such disposition.

5.4 **Expenses.** Expenses of retaking, holding, preparing for sale, selling or the like shall be borne by Borrower and shall include, without limitation, Beneficiary's and Trustee's actual attorneys' fees and legal expenses. Borrower, upon demand of Beneficiary, shall assemble such Personal Property and make it available to Beneficiary at such place as shall be required by Beneficiary in its sole discretion. Beneficiary shall give Borrower at least ten (10) days' prior written notice of the time and place of any public sale or other disposition of such personal property or of the time of or after which any private sale or any other intended disposition is to be made, and if such notice is sent to Borrower, at the same address as is provided for the mailing of notices herein, it is hereby deemed that such notice shall be and is reasonable notice to Borrower.

5.5 **Place of Business.** Borrower's (debtor's) principal place of business is as set forth on the first page hereof, and Borrower will immediately notify Beneficiary in writing of any change in its place of business. The address of Beneficiary (secured party) is as set forth on the first page hereof.

5.6 **Fixtures.** Portions of the Property are goods or other property that are or are to become fixtures relating to the Property, and Borrower covenants and agrees that the filing of this Security Instrument in the real estate records of the county where the Property is located shall also operate from the time of filing as a "fixture filing" (naming Borrower as the debtor and Beneficiary as the secured party) as defined in Uniform Commercial Code Section 104.9102(1)(nn) and covers goods that are or are to become fixtures.

5.7 **Pledge of Monies Held.** Borrower hereby pledges to Beneficiary and grants to Beneficiary a security interest in any and all monies now or hereafter held by or on behalf of Beneficiary in connection with the Loan, as additional security for the Obligations until expended or applied as provided in this Security Instrument or the other Loan Documents.

6. **COVENANTS.**

6.1 **Performance of Obligations.** Borrower shall promptly pay when due all sums secured hereby, together with any interest thereon, and shall perform and comply with in a timely matter all other obligations secured by this Security Instrument. All sums payable by Borrower hereunder shall be paid without notice, demand, setoff, deduction, defense, abatement or deferment and all obligations and liabilities of Borrower hereunder shall not be released, discharged or otherwise affected by reason of any act, claim or circumstance of any kind or nature, whether or not Borrower has notice or knowledge thereof, and notwithstanding any damage to, defects in or destruction of the Property or any other event, including obsolescence of any property or improvements.

6.2 **Insurance.** For so long as this Security Instrument is in effect, Borrower shall continuously maintain insurance in accordance with the Loan Agreement.

6.2.1 **Delivery of Policies and Renewals.** Concurrently herewith, if it has not already done so, Borrower shall deliver to Beneficiary original policies with premiums prepaid evidencing the insurance required hereunder. Borrower shall procure and pay for renewals of such insurance from time to time before the expiration thereof, and Borrower shall deliver to Beneficiary such original renewal policies with premiums prepaid no less than fifteen (15) days before the expiration of any existing policy.

6.2.2 Adjustment and Distribution of Casualty Insurance Proceeds.

Borrower shall cause any insurance policy in respect of loss or damage to the Property to provide that any loss (a) shall be adjusted by Borrower and Beneficiary, and (b) shall be paid to Beneficiary.

6.2.3 Release. Borrower, for itself, and on behalf of its insurers, hereby releases and waives any right to recover against Beneficiary or Trustee on any liability for: damages for injury to or death of persons; any loss or damage to property, including the property of any occupant of the Property; any loss or damage to buildings or other improvements comprising the Property; any other direct or indirect loss or damage caused by fire or other risks, which loss or damage is or would be covered by the insurance required to be carried hereunder by Borrower, or is otherwise insured; or claims arising by reason of any of the foregoing.

6.2.4 Miscellaneous. Neither Beneficiary nor Trustee shall, by reason of accepting, rejecting, obtaining or failing to obtain insurance, incur any liability for (a) the existence, nonexistence, form, amount or legal sufficiency thereof, (b) the solvency or insolvency of any insurer, or (c) the payment of losses. All insurance required hereunder or carried by Borrower shall be procured at Borrower's sole cost and expense. Borrower shall deliver to Beneficiary receipts satisfactory to Beneficiary evidencing full prepayment of the premiums therefor. In the event of foreclosure on, or other transfer of title in lieu of foreclosure of, the Property, all of Borrower's interest in and to any and all insurance policies in force shall pass to Beneficiary, or the transferee or purchaser as the case may be, and Beneficiary is hereby irrevocably authorized to assign in Borrower's name to such purchaser or transferee all such policies, which may be amended or rewritten to show the interest of such purchaser or transferee.

6.3 Liens and Encumbrances. Except as is specifically permitted by this Security Instrument or the other Loan Documents, Borrower shall not cause, suffer or create any liens or encumbrances upon the Property.

6.4 Disposition of Insurance and Condemnation Proceeds and Damages.

6.4.1 Beneficiary's Rights in Proceeds and Damages: Use of Insurance Proceeds to Repair Property. Borrower hereby assigns to Beneficiary (a) any award for damages suffered or compensation paid by reason of a taking for public use, or an action in eminent domain, or the exercise of the police power, whether by a condemnation proceeding or otherwise (such as by inverse condemnation), or any transfer of all or any part of the Property in avoidance thereof, affecting the Property, (b) all proceeds of any insurance policies paid by reason of loss sustained to the Property, and (c) all claims, damages, causes of action, against or from any party or parties, with respect to the Property, or any funds received or receivable in connection with any damage to the Property, incurred as a result of any cause whatsoever. The Loan Agreement shall otherwise govern Beneficiary's rights in such respects, as well as Borrower's rights to use any such funds.

6.4.2 Waiver of Allocation Rights. Without limitation of the foregoing, Borrower hereby specifically, unconditionally and irrevocably waives all rights of a property owner, which provide for allocation of condemnation proceeds between a property owner and a lienholder, and any other law or successor statute of similar import.

6.5 Maintenance and Preservation of the Property; Property Management. The Loan Agreement shall govern Borrower's obligation to maintain the Property and right to engage a property manager for the Property, and Beneficiary's rights in such respects.

6.6 **Defense and Notice of Actions.** Borrower shall, without liability, cost or expense to Beneficiary or Trustee, protect, preserve and defend title to the Property, the security hereof and the rights or powers of Beneficiary or Trustee hereunder, against all adverse claimants to title, or any possessory or non-possessory interest in the Property. Borrower shall give Beneficiary and Trustee prompt written notice of the filing or occurrence of any such event, action or proceeding, including fire or other casualty causing damage to the Property; notice of condemnation or other taking of the Property; notice from any governmental agency relating to the Property of any violation of law; a change in the nature of the occupancy or use of the Property; or the commencement of any litigation affecting the Property or the title thereto.

6.7 **Collection of Rents, Issues and Profits.** Beneficiary confers upon Borrower the license to collect and retain the rents, issues and profits of the Property as they become due and payable, subject, however, to the right of Beneficiary to revoke such license at any time following the occurrence of an Event of Default in its sole discretion and without notice to Borrower. Beneficiary shall have the absolute right to revoke such authority and collect and retain the rents, issues and profits assigned herein, without taking possession of all or any part of the Property. The right to collect rents and profits herein provided shall not grant to Beneficiary or Trustee the right to possession, except as expressly herein provided; nor shall such right impose upon Beneficiary or Trustee the duty to produce rents or profits or maintain the Property in whole or in part. Possession of the Property by a receiver appointed by a court of competent jurisdiction shall not be considered possession of the Property by Beneficiary or Trustee for purposes hereof. Following the occurrence of an Event of Default, Beneficiary may apply, in its sole discretion and in any order of priority, any rents, issues and profits collected against the costs of collection and any indebtedness secured by or obligations of Borrower arising under the Loan Documents. Collection of any rents, issues and profits by Beneficiary shall not cure or waive any Event of Default or notice of Event of Default, or invalidate any acts done pursuant to such notice. The Loan Agreement shall govern Borrower's authority to enter into leases. Without limiting the foregoing, Beneficiary shall have all rights of an "assignee" under the Uniform Assignment of Rents Act, NRS Chapter 107A.

6.8 **Right of Inspection.** Borrower shall permit or cause to be permitted, agents, representatives and employees of Beneficiary to inspect the Property or any part thereof at reasonable hours upon reasonable advance notice.

6.9 **Acceptance of Trust.** Trustee accepts this trust when this Security Instrument, duly executed and acknowledged, becomes a public record as provided by law. Trustee shall not be obligated to perform any act required of it hereunder unless the performance of such act is requested in writing and Trustee is reasonably indemnified against loss, cost, liability and expense.

6.10 **Powers of Trustee; Indemnity.** From time to time upon written request of Beneficiary and presentation of this Security Instrument for endorsement, and without affecting the liability of any person or entity for payment of any indebtedness or performance of obligations secured hereby, Trustee may, without liability therefor and without notice: reconvey all or any part of the Property; consent to the making of any map or plat thereof; join in granting any easement thereon; join in any declaration of covenants and restrictions; or join in any extension agreement or any agreement subordinating the lien or charge hereof. Trustee (or Beneficiary) may from time to time apply in any Court of competent jurisdiction for aid and direction in the execution of the trusts and the enforcement of the rights and remedies available hereunder, and Trustee (or Beneficiary) may obtain orders or decrees directing, confirming or approving acts in the execution of such trusts and the enforcement of such remedies. All costs and expenses of

any such proceeding (including attorneys' fees and costs) shall be borne by Borrower. Trustee shall not be obligated to notify any party of any pending sale of the Property, or any portion thereof, under any other Security Instrument or otherwise, or of any action or proceeding in which Borrower, Beneficiary or Trustee shall be a party, unless Trustee brings such action or unless held or commenced and maintained by Trustee under this Security Instrument. Borrower shall pay to Trustee reasonable compensation and reimbursement for all services and expenses in the administration of the trusts created hereunder, including attorneys' fees and costs. Borrower shall indemnify, defend and hold Trustee and Beneficiary, and each of them, harmless against any and all losses, claims, demands, liabilities, costs or expenses (including attorneys' fees and costs) which either may incur, in the execution of the trusts created hereunder, or in the performance of any act or obligation required or permitted hereunder or by law or otherwise arising out of or in connection with the Note or any Loan Document, with respect to matters which in whole or in part are caused by or arise out of, or are claimed to be caused by or arise out of, the negligence (whether sole, comparative or contributory) or strict liability of Trustee and/or Beneficiary, except to the extent any of the foregoing results from the gross negligence or willful misconduct of a party indemnified hereunder, in which event the foregoing indemnity shall not extend (to such extent) to such indemnified party with respect to such gross negligence or willful misconduct, but shall continue in full force and effect and benefit the other indemnified party hereunder.

6.11 **Substitution of Trustee**. From time to time, by an instrument signed and acknowledged by Beneficiary, referring to this Security Instrument filed for record as required by law, Beneficiary may appoint another trustee to act in the place and stead of Trustee. The recordation of such instrument shall discharge Trustee herein named and shall appoint the new trustee as the Trustee hereunder. An instrument so recorded shall be conclusive proof of the proper substitution of such new trustee, who shall then have all the title, powers, duties and rights of Trustee hereunder, without necessity of any conveyance from such predecessor, with the same effect as if originally named Trustee herein.

6.12 **Acceleration Upon Sale or Further Encumbrance**. Upon any Transfer of any direct or indirect interest in the Property or Borrower in violation of the Loan Agreement (each of which shall constitute an Event of Default and an impairment of Beneficiary's security interests under this Security Instrument), Beneficiary shall have the absolute right, without demand or notice, to declare all sums, indebtedness and obligations secured hereby to be immediately due and payable (including the prepayment premium, if any, set forth in the Note), except to the extent that and in such particular circumstances where exercise of such right by Beneficiary is prohibited by law.

6.13 **Reconveyance**. Upon Beneficiary's written request, and upon surrender to Trustee for cancellation of this Security Instrument and any note or instruments setting forth all obligations secured hereby, Trustee shall reconvey, without warranty, the Property, or that portion thereof then held hereunder. The recitals of any matters or facts in any reconveyance executed hereunder shall be conclusive proof of the truthfulness thereof. To the extent permitted by law, the reconveyance may describe the grantee as "the person or persons legally entitled thereto." Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all future rents, issues and profits of the Property to the person or persons legally entitled thereto, unless such reconveyance expressly provides to the contrary.

6.14 **Defense and Indemnity Rights**. Whenever, under any Loan Document, Borrower is obligated to indemnify or defend Beneficiary or Trustee, or defend or prosecute any

action or proceeding, then Beneficiary and Trustee, and each of them, shall have the right of full participation in any such action or proceeding, with counsel of Beneficiary's choice, and all costs and expenses incurred by Beneficiary or Trustee in connection with such participation (including attorneys' fees and costs) shall be reimbursed by Borrower to Beneficiary or Trustee immediately upon demand. Borrower shall give notice to Beneficiary and Trustee of the initiation of all proceedings prosecuted or required to be defended by Borrower, or which are subject to Borrower's indemnity obligations under any Loan Document promptly after the receipt by Borrower of notice of the existence of any such proceeding. All costs or expenses required to be reimbursed by Borrower to Beneficiary hereunder shall, if not paid when due as herein specified, bear interest at the interest rate of the Note or at the Default Rate if the Note contains a Default Rate, until paid by Borrower. As used herein, "proceeding" shall include litigation, arbitration and administrative hearings or proceedings.

6.15 Provisions Relating to Hazardous Materials.

6.15.1 Notwithstanding Section 2941 of the California Civil Code, Borrower hereby waives its rights to any damages resulting from a delayed reconveyance of this Security Instrument pending the identification and liquidation of Borrower's liabilities under the Loan Agreement. Borrower hereby waives any defenses or limits to the indemnification in such Section of the Loan Agreement that would otherwise be available to Borrower under California Code of Civil Procedure Section 736(b)(3).

6.15.2 Nothing herein or in any other Loan Document shall be construed for purposes of any Hazardous Materials Law as devolving control of the Property or imposing owner or operator status on the Trustee or Beneficiary.

6.15.3 Notwithstanding anything to the contrary contained in the Note, this Security Instrument or any Loan Document, and without limitation on any other rights and remedies of Beneficiary, Beneficiary shall have each and all of the rights and remedies under California Civil Code Section 2929.5 and California Code of Civil Procedure Sections 564, 726.5 and 736, and to the extent applicable, NRS Sections 32.015, 40.507, and 40.508.

6.16 Default Provisions.

6.16.1 **Rights and Remedies.** At any time after the occurrence of an Event of Default, in addition to the remedies set forth in the Loan Agreement or other Loan Documents and all other remedies available to Beneficiary and Trustee at law or in equity, Beneficiary and Trustee and each of them shall have each and all of the following rights and remedies:

(a) **Immediate Payment of Obligations.** With or without notice, to declare all obligations secured by any Loan Document immediately due and payable.

(b) **Judicial Proceedings.** To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this Security Instrument as a mortgage, or without regard to the adequacy of any security for the indebtedness secured hereby, to obtain specific enforcement of the covenants of Borrower hereunder, for an injunction against any violation of this Security Instrument, the appointment of a receiver, or for such other equitable relief as may be appropriate, in addition to any other remedies Beneficiary may otherwise have.

(c) **Elect to Sell Property.** To execute a written notice of such Event of Default and of the election to cause the Property to be sold to satisfy the obligations secured hereby, Trustee shall give and record such notice as the law then requires as a condition precedent to a trustee's sale. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Borrower except as otherwise may then be required by law, shall sell the Property at the time and place of sale fixed by it in the notice of sale, either as a whole or in separate parcels or through one or more successive sales and in such order as it or Beneficiary may determine, at public auction to the highest bidder for cash, in lawful money of the United States, or other form of payment acceptable to Beneficiary, payable at the time of sale. Borrower shall have no right to direct the order in which the Property is sold. Beneficiary may, in its sole discretion, designate the order in which the Property is offered for sale or sold and determine if the Property shall be sold through a single sale or through two or more successive sales, or in any other manner Beneficiary deems to be in its best interest. If Beneficiary elects more than one sale or other disposition of the Property, Beneficiary may at its option cause the same to be conducted simultaneously or in such order and at such times as Beneficiary may deem to be in its best interests, and no such sale shall terminate or otherwise affect the lien of this Security Instrument on any part of the Property not then sold until all indebtedness secured hereby has been fully paid. If Beneficiary elects to dispose of the Property through more than one sale, Borrower shall pay the costs and expenses of each such sale and of any judicial proceedings where the same may be undertaken. To the extent so provided in NRS 107.082, Trustee may postpone any such sale by public announcement at the time and place fixed by the notice of sale, and may thereafter continue such postponement by like announcements at the time and place fixed by the preceding postponement, at Beneficiary's direction and without necessity of additional notices of sale. Trustee shall deliver to the purchaser at such sale a deed conveying the Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee, Borrower or Beneficiary, may purchase at such sale. Notwithstanding anything to the contrary contained herein, Trustee shall (to the extent permitted by applicable law) allocate or apply the proceeds of sale (including the amount of any credit bid) in such manner and in such priority as Beneficiary may elect in its sole and absolute discretion. Notwithstanding anything to the contrary contained herein, Beneficiary's rights and remedies under California Code of Civil Procedure Section 736 shall not be waived, limited or otherwise adversely affected by virtue of a full or partial credit bid upon foreclosure of this Security Instrument.

(d) **Appointment of Receiver.** To apply to any court having jurisdiction to appoint a receiver or receivers for the Property, as a matter of right and without notice to Borrower or anyone claiming under Borrower, and without regard to the then value of the Property or the adequacy of any security for the obligations secured hereby, Borrower hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided herein. Borrower agrees to promptly deliver to any such receiver all leases, rents, issues and profits (including security deposits), documents, financial data and

other information requested by such receiver in connection with the Property and, without limiting the foregoing, Borrower hereby authorizes Beneficiary to deliver to any such receiver any or all of the leases, rents, issues and profits, documents, data and information in Beneficiary's possession relating to the Property. Without limiting the foregoing, the receiver shall have all of the powers that may be afforded to a receiver under the Uniform Commercial Real Estate Receivership Act, NRS Sections 32.100 et seq.

(e) **Reserve Accounts.** To apply any sums then deposited or held in Reserve Accounts, escrow accounts or otherwise by or on behalf of Beneficiary in accordance with the terms of the Loan Agreement and the Note to the payment of the Debt in such order, priority and proportions as Beneficiary shall deem to be appropriate in its sole and absolute discretion.

No action taken, or right or remedy invoked, by Beneficiary or Trustee under this Section, including the appointment of a receiver for the Property, or the entry into possession of the Property, or any part thereof, by such receiver, or otherwise, shall be deemed to make Beneficiary a "mortgagee in possession" or otherwise responsible or liable in any manner with respect to the Property, or the use, occupancy, enjoyment or operation of all or any part thereof. In no event shall Beneficiary be required to accept a cure of any default beyond the applicable grace, notice and cure periods provided in the Loan Documents, if any, notwithstanding any statement or provision to the effect that rights or remedies are available while an Event of Default "exists", "continues" or is "outstanding", or during the "existence" or "continuation" of an Event of Default (or any similar statement or provision) in any of the Loan Documents, or anything else in the Loan Documents.

6.16.2 Payment of Costs, Expenses and Attorneys' Fees. All costs and expenses incurred by Trustee and Beneficiary pursuant to Section 6.16.1 (including court costs and attorneys' fees, whether or not incurred in litigation and whether or not foreclosure is concluded, including, without limitation, attorney's fees incurred in connection with any judicial or non-judicial foreclosure of this Security Instrument or the other Loan Documents, or in connection with both judicial and non-judicial foreclosure, if Beneficiary shall elect to pursue each such remedy whether concurrently or independently) shall be secured by this Security Instrument and shall bear interest at the interest rate of the Note or at the Default Rate if the Note contains a Default Rate, from the date of expenditure until such sums have been paid. Beneficiary shall be entitled to bid, at any sale of the Property held pursuant to Section 6.16.1(c) above, the amount of all such costs, expenses, and interest in addition to the amount of any other obligations hereby secured by a credit bid as the equivalent of cash.

6.16.3 Remedies Cumulative; No Waiver. All rights and remedies of Beneficiary and Trustee hereunder are cumulative and not alternative, and are in addition to all rights and remedies otherwise provided by law. No exercise of any right or remedy by Beneficiary or Trustee shall constitute a waiver of any other right or remedy. No delay or omission by Trustee or Beneficiary to exercise any right, power or remedy hereunder shall impair any such right or remedy, or be construed as a waiver of any Event of Default, or any acquiescence therein. By accepting payment of any sum secured hereby after its due date or later performance of any obligation secured hereby, Beneficiary shall not waive its right against any person obligated directly or indirectly hereunder, or on any obligation hereby secured, either to require prompt payment when due of all other sums so secured or to declare an Event of Default for failure to make such prompt payment or render such performance; and Beneficiary's acceptance of partial payment of any sum secured hereby after its due date (which may be applied to such outstanding payment obligations as Beneficiary may elect, notwithstanding Borrower's instructions to the

contrary), or acceptance of partial performance of any obligation secured hereby in default, shall not cure such payment failure or default, or affect any notice of an Event of Default or sale heretofore given or recorded, unless such notice is expressly revoked in writing by Beneficiary.

6.16.4 Releases, Extensions, Modifications and Additional Security. Without affecting the liability of any person for payment of any indebtedness secured hereby, or the lien or priority of this Security Instrument or any other Loan Document upon the Property, Beneficiary may, from time to time, with or without notice, do one or more of the following: release the liability of any person for the payment of any indebtedness secured hereby; make any agreement or take any action extending the maturity or otherwise altering the terms or increasing the amount of any indebtedness secured hereby; and accept additional security, or release all or a portion of the Property and other security held to secure the indebtedness secured hereby. If Beneficiary holds any other or additional security for the payment of any indebtedness or performance of any obligation hereby secured, then any sale or foreclosure of such security upon any Event of Default, in the sole discretion of Beneficiary, may be prior to, subsequent to, or contemporaneous with, any sale or foreclosure hereunder and any property in which Beneficiary holds a security interest may be sold as a unit with the Property.

6.16.5 Marshalling of Assets. Borrower waives all right to require a marshalling of assets by Trustee or Beneficiary; and Borrower waives the right to require Trustee or Beneficiary to resort first to any portion of the Property retained by Borrower before resorting to any other portion of the Property which may have been transferred or conveyed subject hereto, whether such resort to security is undertaken by non-judicial sale or through proceedings in judicial foreclosure.

6.17 Amendments. This Security Instrument may be amended at any time and from time to time only by an amendment in writing, executed by Beneficiary and Borrower, and recorded or filed as required by applicable law for the giving of constructive notice.

6.18 Further Assurances. Borrower shall, upon request by Beneficiary or Trustee, execute, with acknowledgment or affidavit if required, and deliver, any and all documents and instruments required to effectuate the provisions hereof.

6.19 Statement of Condition. From time to time as required by law, Beneficiary shall furnish to Borrower such statements as may be required by law concerning the condition of the obligations secured hereby. As a condition to Beneficiary's obligation to issue any such statement, Borrower shall pay to Beneficiary such charge as Beneficiary has established for the issuance of such statements, or the maximum amount allowed by law for each such statement, if such amount is less than Beneficiary's charge.

6.20 Borrower, Beneficiary and Trustee Defined. As used in this Security Instrument, the term "**Borrower**" includes each original signatory of this Security Instrument as Borrower and each of its permitted successors and assigns; the term "**Beneficiary**" includes the Beneficiary named herein or any future owner or holder, including pledgees, of any note, notes or instrument secured hereby, or any participation therein; and the term "**Trustee**" includes the original Trustee under this Security Instrument and its successors and assigns.

6.21 Rules of Construction. Specific enumeration of rights, powers and remedies of Trustee and Beneficiary and of acts which they may do and of acts Borrower must do or not do shall not exclude or limit the general. The headings of each Section are for information and convenience and do not limit or construe the contents of any provision hereof.

The provisions of this Security Instrument shall be construed as a whole according to their common meaning, not strictly for or against any party and consistent with the provisions herein contained, in order to achieve the objectives and purposes of these trusts. The use in this Security Instrument (including any Exhibit hereto) of the words "costs" or "expenses" shall include the cost of title evidence and fees and costs of attorneys for Beneficiary or Trustee.

6.22 **Severability.** If any term of this Security Instrument, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Security Instrument, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Security Instrument shall be valid and enforceable to the fullest extent permitted by law.

6.23 **Successors in Interest.** Subject to the limitations herein contained regarding Transfers, the terms, covenants and conditions herein contained shall be binding upon and inure to the benefit of the parties, and their respective heirs, successors and assigns, and shall also be binding upon all tenants, lessees, occupants or other persons in possession of all, or any part of, the Property, or holding under Borrower.

6.24 **Borrower Waiver of Rights.** Borrower waives, to the extent permitted by law, (a) the benefit of all laws now existing or that may hereafter be enacted providing for any appraisal before sale of any portion of the Property, (b) all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the obligation secured hereby in the event of foreclosure of the liens hereby created, (c) all rights and remedies which Borrower may have or be able to assert by reason of the laws of the state in which the Property is located pertaining to the rights and remedies of sureties, (d) the right to assert any statute of limitations as a bar to the enforcement of the lien of this Security Instrument or to any action brought to enforce the Note or any other obligation secured hereby, and (e) any rights, legal or equitable, to require marshalling of assets or to require foreclosure sales in a particular order, including any rights under California Civil Code Sections 2899 and 3433. Beneficiary shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. Beneficiary shall have the right to determine the order in which any of all portions of the obligations secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Nothing contained herein shall be deemed to be a waiver of the Borrower's rights under Section 2924c of the California Civil Code.

6.25 **Late Charges; Default Rate; Prepayment; Protective Advances.** The Note may contain provisions imposing a late charge and default due rate of interest if payments are not timely made, and prepayment restrictions and premiums as more particularly described in the Note. The Loan Agreement contains provisions permitting Beneficiary to advance funds to maintain, secure or otherwise protect the Property, Beneficiary's interest therein or the priority of the liens granted by this Security Instrument and the other the Loan Documents (all of which shall constitute part of the Obligations and be secured by this Security Instrument and other Loan Documents).

6.26 **Status of Trustee.** Trustee shall be the agent of Beneficiary and Borrower hereunder, but only upon and limited solely to the rights, duties, powers, obligations, terms, covenants and conditions contained in this Security Instrument; and Trustee's rights, duties and obligations as agent hereunder shall be strictly limited to and construed in accordance with the terms of this Security Instrument, Beneficiary and Borrower acknowledging their intent that no

other right, duty or obligation shall be implied as a result of the agency relationship created hereunder.

6.27 **Governing Law.** This Security Instrument is being executed and delivered, and is intended to be performed, in the State of California and the laws of the State of California and of the United States of America shall govern the rights and duties of the parties hereto and the validity, construction, enforcement and interpretation of this Security Instrument shall be governed by and construed in accordance with the laws of the State of California; provided, however, that the laws of the state in which the Real Property is located shall govern as to the creation, perfection, priority and enforcement of liens and security interests in Property located in such state.

6.28 **Notices.** Except when otherwise required by law, any notice which a party is required or may desire to give the other shall be given in accordance with the Loan Agreement. Borrower requests that a copy of any notice of default and notice of sale hereunder be mailed to Borrower.

6.29 **Disbursements.** Borrower acknowledges that Beneficiary is under no obligation to make any disbursements or Advances under the terms of the Loan Agreement, and, as a result thereof, and notwithstanding Borrower's delivery of this Security Instrument, Beneficiary may, nevertheless, choose not to make the Loan. In which case, this Security Instrument shall secure all costs and fees required to be paid by Borrower pursuant to Section 6.16.2 of this Security Instrument and the provisions of the other Loan Documents, together with all other obligations of Borrower hereunder and thereunder.

6.30 **Expenses; Indemnity.** Section 10.4 of the Loan Agreement is hereby incorporated into this Agreement by this reference as if herein set forth in full.

7. **WAIVER OF JURY TRIAL.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, BORROWER AND BENEFICIARY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS SECURITY INSTRUMENT, THE LOAN, OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTION OF BENEFICIARY, BORROWER OR TRUSTEE OR ANY EXERCISE BY ANY PARTY OF THEIR RESPECTIVE RIGHTS UNDER THE LOAN DOCUMENTS OR IN ANY WAY RELATING TO THE LOAN OR THE PROPERTY. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BENEFICIARY TO MAKE THE LOAN TO BORROWER.

8. **RESERVED.**

9. **JUDICIAL REFERENCE.** Each of Borrower and Beneficiary acknowledges and agrees that the terms of Section 11 of the Loan Agreement apply, by their terms, to any Dispute (as such term is defined in the Loan Agreement) between Borrower and Beneficiary, including, but not limited to, any Dispute arising out of this Security Instrument or the Loan.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Borrower has executed this Security Instrument as of the day and year set forth above.

MONTE VISTA MINDEN LLC, a Nevada limited liability company
By: SANTA YNEZ VALLEY CONSTRUCTION CO., a California corporation, its Manager

By: [Signature]
Leo Andrew Hanly, President

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of Nevada)
County of Douglas)

On 5-3-22 before me Rishele Thompson
(insert name and title of the officer)

personally appeared Leo Andrew Hanly
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Nevada that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]



Order No.: 02201193-RLT

EXHIBIT A

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

PARCEL A:

Lot 10, as shown on the Final Subdivision Map for The Village at Monte Vista Phase 1, Recorded in the Office of the Douglas County Recorder on August 14, 2020, as Document No. 2020-950830, Official Records of Douglas County, State of Nevada.

APN: 1320-30-614-003

PARCEL B:

Lots 34, 35, 36, 37, 38, 40, 43, 44, 45, as set for on the Final Subdivision Map a Planned Unit Development PD 18-002 The Village at Monte Vista Phase II & III, filed for record in the Office of the Douglas County Recorder on February 1, 2022, as Document No. 2022-980600, Official Records of Douglas County, State of Nevada.

APN: 1320-30-718-006,007,008,009,010,012,015,016,017

**EXHIBIT A
LEGAL DESCRIPTION**

Escrow No.02201194-RLT

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

Lots 29 and 30 as set for on the Final Subdivision Map a Planned Unit Development PD 18-002 The Village at Monte Vista Phase II & III, filed for record in the Office of the Douglas County Recorder on February 1, 2022, as Document No. 2022-980600, Official Records of Douglas County, State of Nevada.

APN: 1320-30-718-001 and 1320-30-718-002

