

The undersigned hereby affirms that there is no Social Security number contained in this document

**APN: 037-020-50**

**RECORDING REQUESTED BY:**

Paul G. Taggart, Esq.  
Taggart & Taggart, Ltd.  
108 N. Minnesota St.  
Carson City, NV 89703

**AFTER RECORDATION, RETURN BY MAIL TO:**

Paul G. Taggart, Esq.  
Taggart & Taggart, Ltd.  
108 N. Minnesota St.  
Carson City, NV 89703

**DEED OF TRUST**

\$ 1,750,000.00

**THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS** ("Deed of Trust") is made as of the \_\_\_ day of \_\_\_\_\_, 2014, by **LANDCAP SPARKS, LLC** , as trustor (the "Trustor"), to **FIRST AMERICAN TITLE COMPANY OF NEVADA**, as trustee (the "Trustee"), for the benefit of the **REDEVELOPMENT AGENCY OF THE CITY OF SPARKS** (the "Beneficiary").

**RECITALS**

Trustor is the owner of the parcel(s) of Real Property which is described by legal description attached hereto as Exhibit "A", and which is a real property located in Sparks, Nevada, and has been assigned Assessor's Parcel Number 037-020-50 in Washoe County, Nevada, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easement, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties and profits relating to the Real Property, including without limitation all minerals, oil, gas, geothermal and similar matters (hereinafter referred to as the "Property").

Trustor hereby pledges the Property to secure a Promissory Note ("Note") by and between Trustor and Beneficiary, that will be executed simultaneously with this Deed of Trust. Pursuant to the Promissory Note by and between Trustor and Beneficiary, dated the same date as this Deed of Trust, the Beneficiary herein, has agreed to make a certain loan to Trustor on the condition that the Trustor will secure repayment of the loan and all other amounts from time to time owed by Trustor to Beneficiary under the Promissory Note.

This Deed of Trust will be and is security for payment in lawful money of the United States of any and all additional or future advances or loans which may be made by Beneficiary to Trustor, and any and all moneys that may become due and payable from Trustor to Beneficiary for any cause whatsoever, and shall also be security for any and all renewals of the debt of Trustor to Beneficiary however evidenced.

**1.0 GRANTS BY GRANTOR AND OBLIGATIONS SECURED BY THIS DEED OF TRUST**

**1.01 Grants of Property in Trust** For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Trustor agrees that to secure: (i) the due and punctual payment of all of the payments and installments on said Promissory Note, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or later existing or due or to become due, in accordance with the terms thereof; and (ii) the performance of all of the obligations of Trustor contained in the Promissory Note:

TRUSTOR CONVEYS TO TRUSTEE AND ASSIGNS TO TRUSTEE, IN TRUST WITH POWER OF SALE FOR THE USE AND BENEFIT OF BENEFICIARY, AND GRANTS BENEFICIARY AND TRUSTEE A SECURITY INTEREST IN:

(a) The Property;

(b) All buildings and other improvements now or hereafter located on the Land, all water and water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant), pumps and pumping stations used in connection therewith and all shares of stock evidencing the same, all machinery, equipment, appliances, furnishings, inventory, fixtures, and other property used or useable in connection with the Land and the improvements thereon, including, but not limited to, all storage tanks and pipelines, all gas, electric, heating, cooling, air conditioning, refrigeration and plumbing fixtures and equipment, which have been or may hereafter be attached or affixed in any manner to any building now or hereafter on the Land (the "Improvements");

(c) All the rights, rights of way, easements, licenses, profits, privileges, tenements, hereditaments and appurtenances, now or hereafter in any way appertaining and belonging to or used in connection with the Land and/or the Improvements, and any part thereof or as a means of access thereto, including, but not limited to, any claim at law or in equity, and any after acquired title and reversion in or to each and every part of all streets, roads, highways and alleys adjacent to and adjoining the same;

(d) All rentals, earnings, income, accounts, accounts receivable, deposits, security deposits, receipts, royalties, revenues, issues and profits which, after the date hereof, and while any portion of the indebtedness secured hereby remains unpaid, may accrue from the Land and/or the Improvements and any part thereof, subject, however, to the right, power and authority conferred upon Trustor to collect and apply such proceeds set forth herein;

(e) All deposits made with or other security given to utility companies by Trustor with respect to the Land and/or the Improvements, and all advance payments of insurance premiums made by Trustor with respect thereto and claims or demands relating to insurance.

(f) Any and all monies now or subsequently on deposit for the payment of real estate taxes or special assessments against the Real Estate or for the payment of premiums on insurance policies covering the foregoing property or otherwise on deposit with or held by Beneficiary as provided in this Deed of Trust; all capital, operating, reserve or similar accounts held by or on behalf of Trustor and related to the operation of the Trust Property, whether now existing or hereafter arising and all monies held in any of the foregoing accounts and any certificates or instruments related to or evidencing such accounts.

TO HAVE AND TO HOLD the Real Estate and the rights and privileges granted to Trustee, its successors and assigns for the uses and purposes set forth, until the Real Estate reverts to Trustor in accordance with the provisions of the this Deed of Trust.

PROVIDED, HOWEVER, that this Deed of Trust shall be of no force and effect whatsoever, no representation or warranty contained herein shall be deemed made, and no obligation or Lien on or interest in the Real Estate is created, until the execution of the before mentioned Promissory Note which shall be deemed conclusively to have occurred on the recording of this Deed of Trust in the County in which the Real Estate is located;

Any of the foregoing arising or acquired by Trustor after the date hereof, the Land, the Improvements, and the other property described in subparagraphs (a), (b), (c), (d), (e) and (f) of this Section 1.01 are collectively defined hereinafter as the "Property".

**1.02** In addition to the Property, Trustor hereby grants a security interest to Beneficiary in all of the following, and any and all proceeds thereof (sometimes all of such being collectively referred to herein as the "Collateral"):

(a) all existing and future goods and tangible personal property located on the Property or wherever located now owned or hereafter acquired by Trustor and used in connection with the use, operation or occupancy of the Property or in construction of the Improvements, including, but not limited to, all appliances, furniture and furnishings, fittings, materials, supplies, equipment and fixtures, and all building material, supplies, and equipment now or hereafter delivered to the Property and installed or used or intended to be installed or used therein; and all renewals or replacements thereof or articles in substitution thereof;

(b) all proceeds and claims arising on account of any damage to or taking of the Property or any part thereof, and all causes of action and recoveries for any loss or diminution in the value of the Property;

(c) all policies of, and proceeds resulting from, insurance relating to the Property or any of the above collateral, and any and all riders, amendments, extensions, renewals, supplements or extensions thereof, and all proceeds thereof;

(d) all shares of stock or other evidence of ownership of any part of the

Property that is owned by Trustor in common with others, including all water stock relating to the Property, if any, and all documents or rights of membership in any owners' or members' association or similar group having responsibility for managing or operating any part of the Property; and

(e) all proceeds, whether cash, promissory notes, contract rights, or otherwise, of the sale or other disposition of all or any part of the estate of Trustor, except through sales, conveyances or other dispositions that are authorized by section 2.06 of this Agreement, in and to the Property now or hereafter existing thereon.

**1.03** Trustor hereby assigns and transfers to Beneficiary, as additional security, all damages, royalties and revenue of every kind, nature and description whatsoever that Trustor may be entitled to receive from any person or entity owning or having or hereafter acquiring a right to the oil, gas or mineral rights and reservations of the Property, with the right in Beneficiary to receive the receipts there of, and apply the same to the indebtedness secured hereby either before or after any default hereunder, and Beneficiary may demand, sue for and recover any such payments but shall not be required to do so.

**1.04 Obligations Secured** This Deed of Trust is given for the purpose of securing the loan reflected in the Promissory Note, and this Deed of Trust is governed by and evidenced by the Promissory Note, which is herewith, by reference, made a part of this document. This Deed of Trust is security for the following, in such order of priority as Beneficiary may determine:

(a) Payment of the indebtedness evidenced by a Promissory Note Secured By Deed of Trust of even date herewith and any renewals, extensions, modifications or amendments thereof, in the principal amount of **ONE MILLION SEVEN HUNDRED-FIFTY THOUSAND DOLLARS ( \$1,750,000.00 )**, executed by Trustor, and payable to Beneficiary, together with interest thereon and late charges as provided therein, which is made a part hereof by reference.

(b) Payment of such further sums as Trustor, or any successor in ownership, hereafter may borrow from Beneficiary when evidenced by another note or notes, reciting it is so secured, payable to Beneficiary or order and made by Trustor, or any successor in ownership, and all renewals, extensions, modifications or amendments of such note or notes.

(c) Payment of all other moneys herein agreed or provided to be paid by Trustor and performance of all other obligations of Trustor contained herein and any amendment, modification or change hereto, including payment of all sums expended or advanced by Beneficiary hereunder, together with interest thereon at the rate payable under the Note, in the preservation, enforcement and realization of the rights of Beneficiary hereunder or under any of the other obligations secured hereby, including, without limitation, attorney's fees, court costs, other litigation expenses and foreclosure expenses.

(d) Performance of each agreement of Trustor contained in any other agreement given by Trustor to Beneficiary which is for the purpose of further securing any indebtedness or obligation secured hereby.

**1.05** Trustee accepts this Trust, and this Trust becomes effective, when this Deed of Trust, duly executed and acknowledged, is recorded in the public records of Washoe County as provided by law. Thereafter, the Trust created hereby is irrevocable by Trustor.

## **2.0 COVENANTS OF TRUSTOR**

**2.01 Condition and Operation of Property.** Trustor agrees (i) to keep the Property in good condition and repair, (ii) not to commit or permit any waste or deterioration of the Property, (iii) not to commit or permit any removal, demolition or substantial alteration of the Property, (iv) to promptly restore any portion of the Property which may be damaged or destroyed and (v) not to permit any mechanics' or materialmen's liens against the Property.

(a) Trustor shall not commit, permit or allow to exist, any violation of any law, ordinance, rule, regulation or order of any governmental authority having jurisdiction over the Property or of any matter or record affecting the Property.

(b) Trustor shall maintain, or cause to be maintained, proper and accurate books, records and accounts reflecting all items of income and expense in connection with the operation of the Property or in connection with any services, equipment or furnishings provided in connection with the operation of the Property, whether such income or expense be realized by Trustor or by any other person or entity whatsoever excepting persons unrelated to and unaffiliated with Trustor and who leased from Trustor portions of the Property for the purposes of occupying the same. Upon the request of Beneficiary, Trustor shall prepare and deliver to Beneficiary such financial statements regarding operation of the Property as Beneficiary may reasonably request. Beneficiary, or its designee, shall have the right from time to time during normal business hours to examine such books, records and accounts and to make copies or extracts therefrom.

**2.02 Taxes** Trustor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which can attain priority over this Security Instrument. Trustors shall not claim, demand or be entitled to receive any credit or credits toward the satisfaction of this Deed of Trust or on any interest payable for any taxes assessed against the Property or any part thereof, and shall not claim any deduction from the taxable value of the Property by reason of this Deed of Trust.

### **2.03 Insurance**

(a) Trustor shall, at all times, provide, maintain and keep in force a policy of commercial general liability insurance with respect to the Property, including owners liability, contractual liability, and personal injury, insuring Trustor and Beneficiary, as their interests may appear, against loss for any occurrence resulting in bodily injury to or the death of one or more persons and consequential damages arising therefrom and property damage involving injury or destruction of the tangible property of third parties in the amount of no less than \$1,000,000 (this is our minimum and shouldn't cost them significantly more), combined single limit. After the

happening of any casualty insured against in this Paragraph 2.03, Trustor shall give prompt written notice thereof to Beneficiary.

(b) In the event of the foreclosure of this Deed of Trust or other transfer of the title to the Property in extinguishment, in whole or in part, of the indebtedness secured hereby, all right, title and interest of Trustor in and to any insurance policy then in force shall pass to the purchaser or grantee to the extent that such insurance policy affects the Property.

**2.04 Payments** Trustor shall pay the principal, interest and other charges due under the Note according to its terms. Trustor shall pay or cause to be paid:

(a) Prior to the assessment of any penalty or delinquency, all taxes, assessments and other governmental or public charges affecting the Property, including assessments on appurtenant water stock, and any accrued interest, cost and/or penalty thereon and shall submit paid receipt therefor to Beneficiary upon request.

(b) When due, all encumbrances (including any debt secured by deed of trust), ground rents, liens, and/or charges, with interest, on the Property or any part thereof which appear to be prior or superior hereto and all costs, fees and expenses related thereto.

**2.05 Restrictions and Due-on-Sale** Trustor shall not (a) sell, assign, transfer, convey or permit to be transferred or conveyed the Real Estate or any part thereof; and/or (b) except for the lien of this Deed of Trust and the Permitted Exceptions, execute any senior mortgage, nor otherwise encumber the Real Estate nor create or suffer to exist any senior lien, charge or encumbrance on the Real Estate, or any part thereof, that is superior to the lien of this Deed of Trust, except, in each case, as permitted by this Deed of Trust. Trustor may execute a subordinate mortgage, or otherwise encumber the Real Estate or create or suffer to exist a subordinate lien, charge or encumbrance on the Real Estate, or any part thereof, with the written consent of the Beneficiary. The consent of the Beneficiary shall not be unreasonable withhold. In the event of any permitted sale, transfer, conveyance, assignment or other disposition or any part of the Real Estate, this Deed of Trust will remain in effect with respect to all of the remaining Real Estate.

Except as specifically provided for in section 2.07 of this Agreement, in the event the Trustor sells, conveys or alienates the Property described in this Deed of Trust, or contracts to sell, convey or alienate; or is divested of title or interest in any other manner, whether voluntarily or involuntarily without the written approval of Beneficiary being first obtained, said Beneficiary shall have the right to declare the entire unpaid principal balance is immediately due and payable in full, upon written demand and notice, irrespective of the maturity date expressed herein. For the purposes of this section, the authority for the Beneficiary to consent is hereby delegated by Trustor to the Sparks City Manager.

**2.06 Construction on Property** Prior to the Maturity Date of the Promissory Note, Trustor agrees to not complete any construction or restoration on the Property, unless such construction or restoration occurs on a portion of the Property that has been released from this

Deed of Trust and been reconveyed to Trustor pursuant to section 2.06 of this Deed of Trust. In the event Trustor begins construction of improvements on the Property, or pledges any portion of the Property to financing for construction, Beneficiary shall have the right to declare the entire unpaid principal balance of the Promissory Note is immediately due and payable in full, upon written demand and notice, irrespective of the maturity date expressed herein.

**2.07 Authorized Lot Release from Deed of Trust** Provided that no Event of Default then exists hereunder, or under the Promissory Note, or any obligation secured hereby, Beneficiary shall, upon request of Trustor, cause to be released from the lien hereof one (1) or more legally described and assessed lots and improvements constructed thereon upon payment to Beneficiary in the amount determined by the following formula. **The Principal Amount of the Loan remaining, divided by the total square feet of the Property, times the square feet of land to be released times 1.20.** Trustor shall pay any and all cost and expense incurred in connection with such releases.

**2.08 Condemnation** If the Property, or any part thereof, is taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner, Beneficiary shall be entitled to all compensation, awards and other payments or relief therefore to which Trustor shall be entitled. All such compensation, awards, damages, rights of action and proceeds to which Trustor shall be entitled (the "Proceeds") are hereby assigned to Beneficiary, who shall, apply the Proceeds to the reduction of the principal balance due under the Note. Trustor agrees to execute such further assignments of the Proceeds as Beneficiary or Trustee may require. Nothing herein contained shall prevent the accrual of interest as provided in the Note on any portion of the Proceeds to be applied to the principal balance due under the Note until the Proceeds are received by Beneficiary.

**2.09 Rents and Leases** The parties agree that no Leases currently exist on the property. In the event a Lease is executed on the Property, said lease can only be entered with the prior written consent of Beneficiary, and the following provisions will apply to any such lease. Trustor shall not accept prepayments of rent for any period in excess of one month and shall perform all covenants of the Lessor under all leases affecting the Property ("Leases"). "Leases", as used herein, includes any extensions or renewals thereof and any amendments consented to by the Beneficiary. Trustor shall not amend or terminate any Leases without the prior written consent of Beneficiary and shall not consent to any assignment or subletting under any Leases without the prior written consent of Beneficiary. Trustor shall immediately give notice to Beneficiary of any default under any of the Leases it receives or delivers. Beneficiary shall have the right but not the obligation, to cure any default of Trustor under any of the Leases and all amounts disbursed in connection with said cure shall be deemed to be disbursements under the Note.

(a) Each lease of any portion of the Improvements shall be absolutely subordinate to the lien of this Deed of Trust but shall contain a provision satisfactory to Beneficiary that in the event of the exercise of the private power of sale or a judicial foreclosure hereunder such lease, at the option of the purchaser at such sale, shall not be terminated and the tenant there under shall attorn to such purchaser and, if requested to do so, shall enter into a new

lease for the balance of the term of such lease then remaining upon the same terms and conditions. Each such lease shall, at the request of Beneficiary, be assigned to Beneficiary and each such assignment shall be recorded and acknowledged by the tenant there under.

(b) Notwithstanding anything to the contrary contained herein, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the leases, income, rent, issues, deposits, profits and proceeds of the Property to which Trustor may be entitled, whether now due, past due or to become due, and hereby gives to and confers upon Beneficiary the right, power and authority to collect such income, rents, issues, deposits, profits and proceeds of the Property to which Trustor may be entitled, whether now due, past due or to become due. The assignment of the Leases constitutes an irrevocable direction and authorization of all tenants under the Leases to pay all rent, income and profits into an account specified by Beneficiary upon demand and without further consent or other action by Trustor. Trustor irrevocably appoints Beneficiary its true and lawful attorney, at the option of Beneficiary at any time, to demand, receive and enforce payment, to give receipts, releases, and satisfactions, and to sue, either in the name of Trustor or in the name of Beneficiary, for all such income, rents, issues, deposits, profits and proceeds and apply the same to the indebtedness secured hereby. It is understood and agreed that neither the foregoing assignment of leases, income, rents, issues, deposits, profits and proceeds to Beneficiary nor the exercise by Beneficiary of any of its rights or remedies under this Paragraph 2.11 or under Paragraph 2.18 hereof 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 portion thereof. Notwithstanding anything to the contrary contained herein or in the Note secured hereunder, so long as no Event of Default, as defined in the Note or herein shall have occurred, Trustor shall have a license to collect all income, rents, issues, profits and proceeds from the Property as trustee for the benefit of Beneficiary and Trustor shall apply the funds so collected as set forth in the Note. Upon the occurrence of an Event of Default, such license shall be deemed revoked and any rents received thereafter by Trustor shall be delivered in kind to Beneficiary. Trustor hereby irrevocably constitutes and appoints Beneficiary its true and lawful attorney-in-fact to enforce in Trustor's name or in Beneficiary's name or otherwise all rights of Trustor in the instruments, including without limitation checks and money orders, tendered as payments of rents and to do any and all things necessary and proper to carry out the purposes hereof.

**2.10 Warranty of Title** Trustor warrants that Trustor shall have good title to the Real Estate, subject only to the matters that are set forth in the title insurance policy that is issued herewith on the real estate and is incorporated herein by reference (the "Permitted Exceptions"), and Trustor shall warrant, defend and preserve title and the rights granted by this Deed of Trust with respect thereto against all claims of all persons and entities. Trustor further warrants that it has the right to grant this Deed of Trust.

**2.11 Statutory Covenants** The following covenants 6, 7 ten (10%) percent, 8 and 9 of Nev. Rev. Stats. 107.030 are hereby adopted and made a part of this Deed of Trust.



## **2.12 Other Rights and Obligations**

(a) In addition to any other grant, transfer or assignment effectuated hereby, without in any manner limiting the generality of the grants in Article I hereof, Trustor shall assign to Beneficiary Trustor's interest in all agreements, contracts, leases, licenses and permits affecting the Property in any manner whatsoever, such assignments to be made, if so requested by Beneficiary, by instruments in form satisfactory to Beneficiary but no such assignment shall be construed as a consent by Beneficiary to any agreement, contract, license or permit so assigned, or to impose upon Beneficiary any obligations with respect thereto.

(b) Trustor shall do any and all acts which, from the character or use of the Property or the Collateral, may be reasonably necessary to protect and preserve the security of Beneficiary, the specific enumerations herein not excluding the general.

(c) Trustor will faithfully perform each and every covenant to be performed by Trustor under any lien or encumbrance upon or affecting the Property, including, without limiting the generality hereof, mortgages, deeds of trust, leases, declaration of covenants, easements, conditions and/or restrictions and other agreements which affect the Property, in law or in equity, which Beneficiary reasonably believes may be prior and superior to the lien or charge of this Deed of Trust. A breach of or a default under any such lien or encumbrance shall constitute an event of default under this Deed of Trust.

(d) Upon election of either Beneficiary or Trustee so to do, employment of an attorney is authorized and payment by Trustor of all attorneys' fees, costs and expenses in connection with any action and/or actions (including the cost of evidence or search of title), which may be brought for the foreclosure of this Deed of Trust, and/or for possession of the property covered hereby, and/or for the appointment of a receiver, and/or for the enforcement of any covenant or right in this Deed of Trust contained as hereinafter provided shall be secured hereby.

(e) Trustor agrees to execute such documents and take such action as Beneficiary shall reasonably determine to be necessary or desirable to further evidence, perfect or continue the perfection of the lien and security interest granted by Trustor herein.

(f) The holder of any subordinate lien or subordinate deed of trust on the Real Estate shall have no right to terminate any Lease whether or not such Lease is subordinate to this Deed of Trust nor shall Trustor consent to any holder of any subordinate lien or subordinate deed of trust joining any tenant under any Lease in any trustee's sale or action to foreclose the lien or modify, interfere with, disturb or terminate the rights of any tenant under any Lease. By recordation of this Deed of Trust all subordinate lienholders and the trustees and Beneficiary under subordinate deeds of trust are subject to and notified of this provision, and any action taken by any such lienholder or trustee or Beneficiary contrary to this provision shall be null and void.

(g) **Agent's Right to Perform** Beneficiary is authorized by itself, its agents, employees or workmen, to enter at any reasonable time upon any part of the Property for the purpose of inspecting the same, and for the purpose of performing any of the acts it is authorized to perform under the terms of this Deed of Trust. Following a ten (10) day written notice to Trustor (unless Beneficiary reasonably determines that emergency circumstances exist which would make the giving of such notice impractical), at the time and in the manner herein provided, Beneficiary may, without releasing Trustor from any obligation hereunder and without waiving its right to declare a default or impairing any declaration of default as herein provided or any sale proceeding predicated thereon:

(1) Make any payment or perform any act in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary and Trustee being authorized to enter upon and take possession of the Property for such purposes;

(2) Commence, appear in and/or defend any action or proceedings purporting to affect the security hereof, and/or any additional or other security therefor, the interests, rights, powers and/or duties of Trustee and/or Beneficiary hereunder, whether brought by or against Trustor, Trustee or Beneficiary;

(3) Pay, purchase, contest or compromise any claim, debt, lien, charge or encumbrance which in the judgment of either may affect or appear to affect the security of this Deed of Trust, the interest of Beneficiary or the rights, powers and/or duties of Trustee and/or Beneficiary hereunder; and

(4) Upon an event of default hereunder or under the Note, Beneficiary is authorized either by itself or by its agents to be appointed by it for that purpose or by a receiver appointed by a court of competent jurisdiction, to enter into and upon and take and hold possession of any portion or all of the Property, both real and personal, and exclude Trustor and all other persons therefrom; and to operate and manage the Property and rent and lease the same, perform such reasonable acts of repair or protection as may be reasonably necessary or proper to conserve the value thereof, and collect any and all income, rents, issues, profits and proceeds therefrom, the same being hereby assigned and transferred to Beneficiary for the benefit and protection of Beneficiary, and from time to time apply and/or accumulate such income, rents, issues, profits and proceeds in such order and manner as Beneficiary or such receiver in its sole discretion shall consider advisable, to or upon the following: the expense of receivership, if any, the proper costs of upkeep, maintenance, repair and/or operation of the Property, the repayment of any sums theretofore or thereafter advanced pursuant to the terms of this Deed of Trust upon the indebtedness secured hereby, the taxes and assessments upon the Property then due or next to become due, and/or upon the unpaid principal of such indebtedness. The collection and/or receipt of income, rents, issues, profits and/or proceeds from the Property by Beneficiary, its agent or receiver, after declaration of default and election to cause the Property to be sold under and pursuant to the terms of this Deed of Trust shall not affect or impair such default or declaration of default or election to cause the Property to be sold or any sale proceedings predicated thereon, but such proceedings may be conducted and sale effected notwithstanding the receipt and/or collection of any such income, rents, issues, profits and/or proceeds. Any such

income, rents, issues, profits and/or proceeds in the possession of Beneficiary, its agent or receiver, at the time of sale and not theretofore applied as herein provided, shall be applied in the same manner and for the same purposes as the proceeds of the sale. Neither Trustee nor Beneficiary shall be under any obligation to make any of the payments or do any of the acts referred to in this Paragraph and any of the actions referred to in this Paragraph may be taken by Beneficiary irrespective of whether any notice of default or election to sell has been given hereunder and without regard to the adequacy of the security for the indebtedness evidenced by the Note.

### **3.0 DEFAULTS AND REMEDIES**

**3.01 Defaults** Trustor shall be in default hereunder upon the breach of any covenant or warranty contained herein, or if an Event of Default shall have occurred and be continuing under the Note, or any other obligation secured hereby, subject to any applicable statutory notice requirement or opportunity to cure, if any.

**3.02 Notice of Default by Beneficiary** Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address set forth below in 4.07

**3.03 Notice of Acceleration** This Deed of Trust is executed by Trustor and accepted by Beneficiary with the understanding and upon the express condition that if Trustor should make default in the performance of any of the covenants and agreements set forth in this instrument, then and in that event the full amount of the principal indebtedness secured hereby shall promptly be and become wholly due and payable, notwithstanding the fact that the same would not otherwise be due according to the terms of the Promissory Note. In the event of a breach by Trustor of any covenant or agreement in this Deed of Trust, Lender shall give notice to Trustor that Lender intends to exercise its right to accelerate Trustor's obligations under the Promissory Note.

**3.04 Remedies** While a Notice of Acceleration is in effect, in addition to any other rights and remedies Beneficiary may have pursuant to the Promissory Note,

(a) Beneficiary may direct Trustee to exercise Trustee's power of sale with respect to the Trust Property in a nonjudicial procedure as permitted by Nevada Revised Statutes section 107.080;

(b) Beneficiary may, to the extent permitted by applicable law, institute and maintain an action of judicial foreclosure, or any other action at law or in equity, against all or any part of the Real Estate for the enforcement of this Deed of Trust or the Promissory Note as the law may allow. Beneficiary may proceed in any action to final judgment and execution thereon for all sums due, together with interest at the Applicable Rate and all costs of suit, including, without limitation, reasonable attorneys' fees and disbursements. Interest at the Applicable Rate shall be due on any judgment obtained by Beneficiary from the date of judgment until actual payment is made of the full amount of the judgment; and

(c) Beneficiary may personally, or by its agents, attorneys and employees and without regard to the adequacy or inadequacy of the Property or any other collateral as security for the Secured Obligations enter into and upon the Property and each and every part thereof and exclude Trustor and its agents and employees without liability for trespass, damage or otherwise (Trustor agrees to surrender possession of the Property to Beneficiary upon demand at any time) and use, operate, manage, maintain and control the Property and every part thereof. Following entry and taking of possession, Beneficiary shall be entitled, without limitation, to lease all or any part or parts of the Property for periods of time and upon conditions as Beneficiary may, in its discretion, deem proper, to enforce, cancel or modify any Lease, and generally to execute, do and perform any other act, deed, matter or thing concerning the Property as Beneficiary shall deem appropriate as fully as Trustor might do.

In the case of a trustee's sale or foreclosure sale, the Property may be sold, at Beneficiary's election, in one parcel or in more than one parcel and Beneficiary are specifically empowered (without being required to do so, and in its sole and absolute discretion) to cause successive sales of portions of the Trust Property to be held.

**3.05 Injunction** In the event of any breach of any of the covenants, agreements, terms or conditions contained in this Deed of Trust, and notwithstanding to the contrary any exculpatory or nonrecourse language which may be contained herein, Beneficiary or Trustee shall be entitled to enjoin the breach and obtain specific performance of any covenant, agreement, term or condition and Beneficiary and Trustee shall have the right to invoke any equitable right or remedy as though other remedies were not provided for in this Deed of Trust.

**3.06 Right of Beneficiary to Credit Sale** Upon the occurrence of any sale made under this Deed of Trust, whether made under the power of sale or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Beneficiary may bid for and acquire the Real Estate or any part thereof. In lieu of paying cash, Beneficiary may make settlement for the purchase price by crediting upon the Secured Obligations or other sums secured by this Deed of Trust the net sales price after deducting the expenses of sale and the cost of the action and any other sums which Beneficiary are authorized to deduct under this Deed of Trust. In this event, this Deed of Trust and documents evidencing the Secured Obligations and other expenditures secured may be presented to the person or persons conducting the sale in order that the amount so used or applied may be credited upon the Secured Obligations as having been paid.

**3.07 Default Proceedings** Upon the occurrence of any default hereunder, and if Beneficiary elects to declare all sums secured hereby immediately due and payable through the remedy described in section 3.04(a) above, the Trustee shall cause notice to be duly filed and recorded in order to exercise the power of sale herein.

(a) Should Beneficiary elect to foreclose by exercise of the power of sale pursuant to section 3.04(a) above, Beneficiary shall comply with applicable law, and only if required by that law, will deposit with Trustee this Deed of Trust, the Note and such receipts and

evidence of expenditures made and secured hereby as Trustee may require, and notice of sale having been given as then required by law and after lapse of such time as may then be required by law after recordation of such notice of default; and

(b) Trustee, without demand on Trustor, shall sell the Property at the time and place of sale fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale.

(c) Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed or deeds conveying the Property, or any portion thereof, so sold, but without any covenant or warranty, express or implied. The recitals in such deed or deeds of any matters or facts, shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at such sale.

(d) Beneficiary, from time to time before Trustee's sale, may rescind any such notice of breach or default and of election to cause the Property to be sold by executing and delivering to Trustee a written notice of such rescission, which notice, when recorded, shall also constitute a cancellation of any prior declaration of default and demand for sale. The exercise by Beneficiary of such right of rescission shall not constitute a waiver of any breach or default then existing or subsequently occurring, or impair the right of Beneficiary to execute and deliver to Trustee, as above provided, other declarations of default and demand for sale, and notices of breach or default, and of election to cause the Property to be sold to satisfy the obligations hereof, nor otherwise affect any provision, agreement, covenant or condition of the Note, and/or of this Deed of Trust or any of the rights, obligations or remedies of the parties hereunder.

(e) After deducting all costs, fees and expenses of Trustee and of this Trust, including the cost of evidence of title in connection with sale and attorneys' fees, Trustee shall apply the proceeds of sale as required by applicable law.

(f) If Beneficiary at any time holds additional security for any obligations secured hereby, it may enforce the terms hereof or otherwise realize upon the same, at its option, either before or concurrently herewith or after a sale is made hereunder, and may apply the proceeds upon the indebtedness secured hereby without affecting the status of or waiving any right to exhaust all or any other security, including the security hereunder, and without waiving any breach or default or any right or power whether exercised hereunder or contained herein or in any such other security.

**3.08 Appointment of Receiver** Subject to any notice requirement and opportunity to cure contained herein, in the event of a default hereunder, Beneficiary, as a matter of right and without notice to Trustor or anyone claiming under it, and without regard to the then value of the Property or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Property, and Trustor 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 and shall continue as such and exercise all such powers until the date of confirmation of sale of the Property unless such receivership is sooner terminated.

**3.09 Remedies Not Exclusive** Neither the acceptance of this Deed of Trust nor its enforcement, shall prejudice or in any manner affect Beneficiary's or Trustee's right to realize upon or enforce any other security held by Beneficiary or Trustee, it being agreed that Beneficiary and Trustee shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary or Trustee in such order and manner as Beneficiary may determine in its absolute discretion. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. In no event shall Beneficiary or Trustee, in the exercise of the remedies provided in this Deed of Trust (including, without limitation, in connection with the Assignment of Rents, or the appointment of a receiver and the entry of such receiver on to all or any part of the Real Estate), be deemed a "mortgagee in possession," and neither Beneficiary nor Trustee shall in any way be made liable for any act, either of commission or omission, in connection with the exercise of such remedies.

**3.10 Security Agreement under Uniform Commercial Code**

(a) It is the intention of the parties that this Deed of Trust shall constitute a Security Agreement within the meaning of the Uniform Commercial Code (the "Code") of Nevada. If a Notice of Acceleration shall be in effect, then in addition to having any other right or remedy available at law or in equity, Beneficiary shall have the option of either (i) proceeding under the Code and exercising rights and remedies as may be provided to a secured party by the Code with respect to all or any portion of the Real Estate or personal property (including, without limitation, taking possession of and selling such property); or (ii) treating such property as real property and proceeding with respect to both the real and personal property in accordance with Beneficiary's rights, powers and remedies with respect to the real property (in which event the default provisions of the Code shall not apply). If Beneficiary shall elect to proceed under the Code, then ten (10) days notice of sale of the personal property shall be deemed reasonable notice, and the reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Beneficiary shall include, but not be limited to, attorneys' fees and legal expenses.

(b) Trustor and Beneficiary agree, to the extent permitted by law, that: (i) this Deed of Trust upon recording or registration in the real estate records of the proper office shall constitute a financing statement filed as a "fixture filing" within the meaning of Sections 9-313 and 9-402 of the Code; (ii) Trustor is the record owner of the Real Estate; and (iii) the addresses of Trustor and Beneficiary are as set forth on the first page of this Deed of Trust.

(c) Trustor, upon request by Beneficiary from time to time, shall execute, acknowledge and deliver to Beneficiary one or more separate security agreements, in form satisfactory to Beneficiary, covering all or any part of the Real Estate and will further execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any financing statement,

affidavit, continuation statement or certificate or other document as may be necessary or as Beneficiary may request in order to perfect, preserve, maintain, continue or extend the security interest under and the priority of this Deed of Trust and such security instrument. Trustor further agrees to pay to Beneficiary on demand all costs and expenses incurred by Beneficiary in connection with the preparation, execution, recording, filing and refiling of any such document and all reasonable costs and expenses of any record searches for financing statements Beneficiary shall reasonably require. If Trustor shall fail to furnish any financing or continuation statement within ten (10) days after request by Beneficiary, then pursuant to the provisions of the Code, Trustor authorizes Beneficiary, without the signature of Trustor, to execute and file any such financing and continuation statements. The filing of any financing or continuation statements in the records relating to personal property or chattels shall not be construed as in any way impairing the right of Beneficiary to proceed against any personal property encumbered by this Deed of Trust as real property, as set forth above.

#### **4.0 GENERAL PROVISIONS**

**4.01 Definitions** Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Deed of Trust shall be used interchangeably in singular or plural form and the word "Trustor" shall mean each Trustor or any subsequent owner or owners of the Real Estate or any part thereof or interest therein, the word "Trustee" shall mean "Trustee and any successor Trustee hereunder," the term "Secured Obligations" shall mean "the Secured Obligations or any other obligations of Trustor secured by this Deed of Trust," and the word "person" shall include any individual, corporation, partnership, trust, unincorporated association, government, governmental authority, or other entity. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. The captions in this Deed of Trust are for convenience or reference only and in no way limit or amplify the provisions hereof.

**4.02 Merger** Unless expressly provided otherwise, in the event that Beneficiary's interest in this Deed of Trust and title to the Trust Property or any estate therein shall become vested in the same person or entity, this Deed of Trust shall not merge in title but shall continue as a valid charge on the Trust Property for the amount secured hereby.

**4.03 Assignment by Beneficiary** Subject to the provisions of Paragraph 2.16 hereof, this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the owner and holder, including pledgees, of the Note, now or hereafter and whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

**4.04 Rights of Successors and Assigns** All covenants of Trustor contained in this Deed of Trust are imposed solely and exclusively for the benefit of Trustee, Beneficiary and the Secured Parties, and their respective successors and assigns, and no other persons or entities shall have standing to require compliance with such covenants or be deemed, under any

circumstances, to be a beneficiary of such covenants. All such covenants of Trustor shall run with the land and bind Trustor, the successors and assigns of Trustor (and each of them) and all subsequent owners, encumbrances and tenants of the Real Estate, and shall inure to the benefit of Trustee, Beneficiary and the Secured Parties, and their respective successors and assigns. Without limiting the generality of the foregoing, any successor to Trustee appointed by Beneficiary shall succeed to all rights of Trustee as if such successor had been originally named as Trustee hereunder. The word "Trustor" shall be construed as if it read "Trustors" whenever the sense of this Deed of Trust so requires and if there shall be more than one Trustor, the obligations of the Trustors shall be joint and several. The provisions of this Deed of Trust are intended to be supplemental and in addition to the provisions contained in the Note, such that, any assignment of this Deed of Trust shall be considered an assignment of the Note.

**4.05 Partial Invalidity and Severability** In the event any one or more of the provisions contained in this Deed of Trust shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but each shall be severed from the enforceable portion of this Deed Trust and the severed provisions will be construed as if such invalid, illegal or unenforceable provision had never been included.

**4.06 Successor Trustees** Beneficiary may, pursuant to the provisions of Nevada Revised Statutes 107.028, from time to time, by a written instrument executed and acknowledged by Beneficiary and recorded in the county or counties where the Property is located, substitute a successor or successors for the Trustee named herein or acting hereunder.

**4.07 Statutes of Limitation** The right to plead any and all statutes of limitation as a defense to any demand secured by this Deed of Trust is hereby waived by the parties to the full extent permitted by law.

**4.08 Indemnification** Trustor shall indemnify and hold harmless Trustee and its affiliates, and the directors, officers, agents and employees of Trustee and its affiliates from and against all claims, damages, losses and liabilities (including, without limitation, reasonable attorneys' fees and expenses) arising out of or based upon any matter related to this Deed of Trust, the Property or the occupancy, ownership, maintenance or management of the Property by Trustor, including, without limitation, any claims based on the alleged acts or omissions of any employee or agent of Trustor. This indemnification shall be in addition to any other liability which Trustor may otherwise have to Trustee.

**4.09 Costs of Legal Proceedings** If (i) any sale (or any prerequisite to a sale), action or proceeding shall be commenced by Beneficiary or Trustee, or any action or proceeding is commenced to which Beneficiary or Trustee is made a party, or in which it becomes necessary to defend or uphold the rights granted by this Deed of Trust (including, without limitation, any proceeding or other action relating to the bankruptcy, insolvency or reorganization of any Obligor), or in which Beneficiary or Trustee is served with any legal process, discovery notice or subpoena; and (ii) in each of the foregoing instances such action or proceeding in any manner relates to or arises out of this Deed of Trust, the Loan Agreement, the Promissory Note or any of the transactions contemplated by this Deed of Trust, then Trustor will immediately reimburse or pay to Trustee all of the reasonable expenses which have been or may be incurred by Trustee



with respect to the foregoing (including reasonable counsel fees and disbursements), together with interest thereon at the Applicable Rate and any such sums and the interest thereon shall be included in the Secured Obligations and have the full benefit of this Deed of Trust, prior to any right, or title to, interest in or claim upon the Real Estate attaching or accruing to this Deed of Trust, and shall be deemed to be secured by this Deed of Trust. In any action or proceeding to sell the Trust Property, to foreclose this Deed of Trust, or to recover or collect the Secured Obligations, the provisions of law respecting the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant.

**4.10 Notices** All notices hereunder shall be deemed to have been duly given if personally delivered or mailed by United States registered or certified mail, with return receipt requested, postage prepaid to the parties at the addresses indicated below the signature blocks of this Deed of Trust (or at such other addresses as shall be given in writing upon any party to the others) and shall be deemed complete upon any such mailing. All notices or other communications hereunder shall be given in the manner and to the addresses stated in the Loan Agreement and this Deed of Trust. Those addresses are as follows:

Trustor:	LANDCAP, LLC, a Nevada Limited Liability Company 27132 B Paseo Espada, Suite 1206 San Juan Capistrano, CA 92675
Trustee:	FIRST AMERICAN TITLE COMPANY OF NEVADA _____ _____
Beneficiary:	REDEVELOPMENT AGENCY OF THE CITY OF SPARKS 431 Prater Way Sparks, Nevada 89431

**4.11 No Oral Modification** This Deed of Trust may not be changed or terminated orally. Any agreement made by Trustor and Beneficiary after the date of this Deed of Trust relating to this Deed of Trust shall be superior to the rights of the holder of any intervening or subordinate Deed of Trust, lien or encumbrance. Trustee's execution of any written agreement between Trustor and Beneficiary shall not be required for the effectiveness thereof as between Trustor and Beneficiary. Without affecting the liability or obligations of any person, including Trustor, for the performance of any obligations secured hereby (excepting only any person or property otherwise expressly released in writing by Beneficiary), in compliance with this section 4.08, Beneficiary may from time to time and without notice release any person liable for payment of any of said indebtedness or the performance of said obligations, extend the time of payment or otherwise alter the terms of any of said obligations, accept additional security therefor of any kind, including trust deeds or mortgages, or alter, substitute or release any

property securing said obligations.

**4.12 Governing Law** The provisions of this Deed of Trust governing the contractual rights and obligations of Trustor, Beneficiary and Trustee shall be construed according to the laws of the State of Nevada.

**4.13 Waiver of Trial by Jury** Trustor, Trustee and Beneficiary each hereby irrevocably and unconditionally waive trial by jury in any action, claim, suit or proceeding relating to this Deed of Trust and for any counterclaim brought therein. Trustor hereby waives all rights to interpose any counterclaim in any suit brought by Beneficiary or Trustee hereunder and all rights to have any such suit consolidated with any separate suit, action or proceeding.

**4.14** At any time, or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for the endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Deed of trust upon the remainder of the Property Trustee may: reconvey any part of the Property; consent in writing to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge thereof.

**4.15 Counterparts** This Deed of Trust may be executed in counterparts, all of which executed counterparts shall together constitute a single document. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document.

BY SIGNING BELOW, Trustor accepts and agrees to the terms and covenants contained in this Security Instrument.

**IN WITNESS WHEREOF**, Trustor has executed this Deed of Trust as of the day first written above.

**TRUSTOR  
LANDCAP SPARKS LLC**

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Manager

Mailing Address of Beneficiary

REDEVELOPMENT AGENCY OF THE CITY OF  
SPARKS  
431 Prater Way  
Sparks, Nevada 89431

STATE OF NEVADA        )  
                                  ) ss.  
WASHOE COUNTY        )

      This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_,  
2014, by \_\_\_\_\_, as \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF WASHOE, STATE OF NEVADA AND IS DESCRIBED AS FOLLOWS:

Parcel A of Parcel Map 4081, filed in the Office of the County Recorder of Washoe County, State of Nevada on September 9, 2003, as File No. 2918146 Official Records and which is a real property and has been assigned Assessor's Parcel Number 037-020-50 in Washoe County, Nevada