

Foreclosure No. 31378-FCL

When recorded mail to:
Western Title Company
241 Ridge Street
Reno, NV 89501

**AFFIRMATION PURSUANT TO
NRS 111.312(1)(2) AND 239B.030(4)**

Pursuant to NRS 239B.030, the undersigned, hereby affirm(s) that the below document, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons.

**NOTICE OF DEFAULT
AND ELECTION TO SELL**
(Includes Real Property, Water Rights
and Personal Property)

TO WHOM IT MAY CONCERN:

WHEREAS, on April 13, 2007, KILEY RANCH, LLC, a Nevada limited liability company, and LAZY FIVE COMPANY, a Nevada corporation, executed as Trustor a Deed of Trust and Security Agreement and Fixture Filing with Assignment of Rents, wherein WESTERN TITLE COMPANY, INC., a Nevada corporation, is Trustee for COLONIAL BANK, N.A., Beneficiary, as security for the payment of: (i) a Revolving Line of Credit Promissory Note Secured by Deed of Trust in the original principal amount of \$20,000,000.00 (the "\$20,000,000.00 Note"); and (ii) Revolving Line of Credit Promissory Note Secured by Deed of Trust in the original principal amount of \$2,000,000.00 (the "\$2,000,000.00 Note"), each executed and delivered by KILEY RANCH COMMUNITITES, a Nevada corporation, on April 13, 2007, which said Deed of Trust was recorded April 16, 2007, as Document No. 3521442, Official Records, Washoe County, Nevada (the "Deed of Trust"); and

WHEREAS, on April 27, 2007, KILEY RANCH COMMUNITIES, a Nevada corporation, executed a Revolving Line of Credit Promissory Note secured by Deed of Trust in the original principal amount of \$13,000,000.00 (the "\$13,000,000.00 Note"), which \$13,000,000.00 Note was further secured by the Deed of Trust as evidenced by that certain Modification to Deed of Trust and Security Agreement with Fixture Filing and Assignment of Rents recorded May 3, 2007, as Document No. 3528265, Official Records, Washoe County, Nevada; and

WHEREAS, on February 28, 2008, KILEY RANCH COMMUNITIES, a Nevada corporation, executed a Revolving Line of Credit Promissory Note secured by Deed of Trust in the original principal amount of \$10,000,000.00 (the "\$10,000,000.00 Note"), which \$10,000,000.00 Note was further secured by the Deed of Trust as evidenced by that certain Modification to Deed of Trust and Security Agreement with Fixture Filing and Assignment of Rents recorded April 10, 2008, as Document No. 3638657, Official Records, Washoe County, Nevada; and

WHEREAS, the terms of said \$20,000,000.00 Note, \$2,000,000.00 Note and \$13,000,000.00 Note were each modified pursuant to those three (3) certain Loan Modification Agreements each dated December 31, 2008, and executed by Trustor and Beneficiary herein; and

WHEREAS, the terms of said \$20,000,000.00 Note, \$2,000,000.00 Note and \$13,000,000.00 Note were each modified pursuant to those three (3) certain Loan Modification Agreements each dated March 2, 2009, and executed by Trustor and Beneficiary herein; and

WHEREAS, the terms of said \$20,000,000.00 Note, \$2,000,000.00 Note, \$13,000,000.00 Note and \$10,000,000.00 Note were each modified pursuant to those four (4) certain Loan Modification Agreements each dated June 26, 2009, and executed by Trustor and Beneficiary herein; and

WHEREAS, BRANCH BANKING AND TRUST COMPANY, is the successor in interest to COLONIAL BANK by acquisition assets from the FDIC as Receiver for COLONIAL BANK; and

WHEREAS, WESTERN TITLE COMPANY, LLC, a Nevada limited liability company, is the successor in interest to WESTERN TITLE COMPANY, INC., a Nevada corporation; and

WHEREAS, a breach of the obligation for which said transfer in trust as security was made has occurred in that default has been made in: (i) the failure to pay the balance of principal and interest due on the \$20,000,000.00 Note and the \$2,000,000.00 Note on July 13, 2009; (ii) the failure to pay the balance of principal and interest due on the \$13,000,000.00 Note on July 20, 2009; (iii) the failure to pay the balance of principal and interest due on the \$10,000,000.00 Note on July 9, 2009; and (iv) in the failure to perform any other term, covenant or condition contained in the Deed of Trust securing the Promissory Notes and to be performed by Trustor, whether such failure to perform occurred prior to or subsequent to the date hereof, together with penalties and advances that have been incurred or made or will be incurred or made during the period of default;

NOTICE IS HEREBY GIVEN that the undersigned has elected to consider all of the unpaid balance of principal and interest to be due in consequence of said default, together with attorney's fees and costs that have been incurred and will hereafter accrue, all in accordance with the terms of said Promissory Note and Deed of Trust, and the undersigned has elected to sell or cause to be sold the real property and personal property described in said Deed of Trust to satisfy said obligation.

To obtain further information with respect to this Notice of Default and Election To Sell, contact the Foreclosure Office of Western Title Company, LLC, 241 Ridge Street, Reno NV 89501, Telephone No. (775) 850-7176, between the hours of 9:00 A.M. and 5:00 P.M., Monday through Friday.

DATED: 3/2/2010, 2010.

BRANCH BANKING AND TRUST COMPANY

By [Signature]
Dennis D. Harms
Its SVP

STATE OF NEVADA)
) SS.
COUNTY OF WASHOE)

This instrument was acknowledged before me on
MARCH 2, 2010, by DENNIS D. HARMS as
SR VICE PRESIDENT of/for BRANCH BANKING AND TRUST
COMPANY.

Sandra Van Dover
Notary Public

