

A. P. No. 1318-03-212-034
Escrow No. 141-2357007

Douglas County - NV
Karen Ellison - Recorder

Page: 1 Of 10 Fee: 23.00
BK-0908 PG- 4923 RPTT: 0.00

When recorded mail to:

John Peel
P.O. Box 1805
Zephyr Cove, NV 89448



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

X 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.

-OR-

The undersigned, hereby affirm(s) that this document, including any exhibits, hereby submitted for recording does contain the social security number of a person or persons as required by the following: _____.

[Signature]
Signature

Agent [Signature]

Nick Peterson
Print Signature

Title _____

DEED OF TRUST WITH ASSIGNMENT
OF RENTS AND SECURITY AGREEMENT

THIS DEED OF TRUST, made August 29, 2008,
between BRANDON PASEK, a single man, herein called "Trustor",
whose address is: 920 South McGlinery Lane Campbell, CA 95008,
FIRST AMERICAN TITLE INSURANCE COMPANY, a California
corporation, herein called "Trustee", and JOHN PEEL, an

unmarried man, herein called "Beneficiary", whose address is:

P.O. Box 1805 Zephyr Cove, NV 89448

W I T N E S S E T H

That Trustor hereby grants to Trustee in trust, with power of sale, all interest of Trustor in that certain property situate in the County of Douglas, State of Nevada, more particularly described as follows:

Lot 147, as shown on the map of SKYLAND SUBDIVISION NO. 3, filed in the office of the County Recorder of Douglas County, State of Nevada, on February 24, 1960.

Trustor further hereby grants, assigns, pledges, hypothecates and transfers to Beneficiary a security interest in the following described property in which Trustor now or at any time hereafter has any interest, whether as owner, lessee or otherwise (which property is hereinafter individually and collectively called the "Personal Property"):

a. All licenses, guaranties, surety or other bonds, warranties, indemnity agreements, sales agreements, construction agreements, management agreements, service agreements, maintenance agreements, insurance policies, plans and specifications, engineering studies, drawings, designs, computer or other programs and analyses (whether existing or capable of generation by use of any computer or other equipment), governmental or other approvals, permits, licenses or grants of rights or privileges of any kind, and other agreements, contracts, writings and general intangibles of every kind in which Trustor now has or at any time hereafter shall have any interest in or connection with any or all of the property encumbered by this Deed of Trust; and

b. All furniture, fixtures, equipment, machinery, appliances and goods of every nature whatsoever now or hereafter located in, or on or used, or intended to be used in connection with the property encumbered by this

Deed of Trust, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and lights; and all fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bathtubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, panelling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants.

c. All building materials and supplies, maintenance materials, goods, raw materials, component parts, work in progress, and other inventory and tangible assets used or consumed in connection with any or all of the property encumbered by this Deed of Trust in which Trustor now or at any time hereafter owns or acquires any interest, and all products thereof, whether in the possession of Trustor, warehousemen, bailees or any other person and whether located at Trustor's place(s) of business or elsewhere; and

d. All general intangibles, accounts, deposits, deposit accounts, documents, contract rights, chattel paper and other rights to payment of any kind now existing or at any time hereafter arising in connection with any or all of the property encumbered by this Deed of Trust in connection with the performance by Trustor of any or all of the obligations, including, without limitation, any money or property now or hereafter deposited by or on behalf of Trustor with any city, county, public or governmental body, official, agency or authority, sewer or water district or company, gas or electric company or utility, telephone company or any other person in connection with the installation of any utility on, or providing any other benefit to, any of the property encumbered by this Deed of Trust, any royalties, maintenance fees, promotion fees, dues, reimbursements of any cost or expenses or other rights to payment of any kind earned or payable at any time by tenants or other users of any of the property encumbered by this Deed of Trust (other than rents which are assigned to Beneficiary under a deed of trust or other instrument); and



e. any and all proceeds and products from any of the Personal Property (including proceeds of proceeds) now existing or at any time hereafter acquired by or owing to Trustor, including without limitation, all accounts, contracts rights, chattel paper, instruments, general intangibles and other rights to payment of every kind now or at any time hereafter arising in connection with the sale, transfer or other disposition of any interest in any of the property encumbered by this Deed of Trust.

Trustor grants to Beneficiary a security interest in the foregoing personal property.

TOGETHER WITH, the tenements, hereditaments and appurtenances thereunto belonging or appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, subject, however, to the right of Beneficiary, during any period of default hereunder, and without waiver of such default, to collect said rents, issues and profits by any lawful means, and to apply the same, less costs and expenses of collection, to any indebtedness secured hereby.

FOR THE PURPOSE OF SECURING: (1) Payment of the principal sum of \$300,000.00, according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and all extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated herein by reference or contained herein; and (3) payment of such additional sums which may hereafter be loaned to Trustor by Beneficiary when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

AND THIS INDENTURE FURTHER WITNESSETH:

1. Trustor agrees to properly care for and keep said property in good condition and repair; not to alter, remove, damage or demolish any building or improvement thereon; to complete in a good and workmanlike manner any building or improvement which may be constructed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws, ordinances and regulations relating to any alterations or improvements made thereon; not to commit or permit any waste thereof; not to commit, suffer or permit any act to be done in or upon said property in



violation of any law, covenant, condition or restriction affecting said property; to cultivate, irrigate, fertilize, fumigate, prune and/or do any other act or acts, all in a timely and proper manner, which, from the character or use of said property, may be reasonably necessary, the specific enumerations herein not excluding the general.

2. Trustor agrees to pay and discharge all costs, fees and expenses of this trust incurred in connection with any default by Trustor.

3. During the continuance of this trust, Trustor covenants to keep all buildings that may now or at any time be on said property in good repair and insured against loss by fire, with extended coverage endorsement, in a company or companies authorized to issue such insurance in the State of Nevada. Said insurance shall be in such sum or sums as shall equal the total indebtedness secured by this Deed of Trust and all obligations having priority over this Deed of Trust, or the maximum full insurable value of such buildings, whichever is less. Said insurance shall be payable to Beneficiary to the amount of the unsatisfied obligation to Beneficiary hereby secured. The policy or policies of said insurance shall be delivered to Beneficiary or to the collection agent of Beneficiary, as further security, and in default thereof, Beneficiary may procure such insurance and/or make such repairs, and expend for either of such purposes such sum or sums as Beneficiary shall deem necessary. The amount collected by Beneficiary under any fire or other insurance policy may be applied by Beneficiary upon the indebtedness secured hereby and in such order as Beneficiary may determine, or, at the option of Beneficiary, the entire amount so collected, or any part thereof, may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

4. Trustor promises and agrees that if, during the existence of this trust, there be commenced or pending any suit or action affecting said property, or any part thereof, or the title thereto, or if any adverse claim for or against said property, or any part thereof, be made or asserted, he will appear in and defend any such matter purporting to affect the security and will pay all costs and damages arising because of such action.

5. Any award of damages in connection with any condemnation for public use of, or injury to said property, or any part thereof, is hereby assigned and shall be paid to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same affect as herein provided for disposition of proceeds of insurance.

6. Except as may be required by law, Trustee shall be under no obligation to notify any party hereto of any pending sale of said property, whether such sale is by foreclosure or otherwise, or of any action or proceeding in which Trustor or Beneficiary or Trustee shall be a party, unless brought by Trustee.

7. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment, when due, of all other sums so secured or to declare default, as herein provided, for failure to so pay.

8. At any time, and from time to time, without liability therefor, upon written request of Trustor and Beneficiary, 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 said property, Trustee may consent in writing to the making of any map or plat thereof or join in granting any easement thereon.

9. Upon receipt of written request from Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed of Trust and the note secured hereby to Trustee for cancellation and retention, or such other disposition as Trustee, in its sole discretion, may choose, and upon payment of its fees, the Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters of fact shall be conclusive proof of the truth thereof. The Grantee in such reconveyance may be described in general terms as "the person or persons legally entitled thereto".

10. Should Trustor default in the payment of any indebtedness secured hereby, or in the performance of any of the covenants and agreements herein contained or incorporated herein by reference, Beneficiary may declare all sums secured hereby immediately due and payable.

11. The following covenants Nos. 1, 3, 4 (interest 12%), 5, 6, 7 (counsel fees - a reasonable percentage), 8 and 9 of Nevada Revised Statutes 107.030, are hereby adopted and made a part of this Deed of Trust, and, notwithstanding any provision of said covenant No. 7 to the contrary, proceeds of any foreclosure sale shall be distributed pursuant to the provisions of Nevada Revised Statutes 40.462.

12. Trustor agrees to pay any deficiency arising from any cause after application of the proceeds of the sale held in accordance with the provisions of the covenants hereinabove adopted by reference.

13. 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. It is expressly agreed that the Trust created hereby is irrevocable by Trustor.

14. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law, reserving, however, unto the Trustee, the right to resign from the duties and obligations imposed herein whenever Trustee, in its sole discretion, deems such resignation to be in the best interest of the Trustee. Written notice of such resignation shall be given to Trustor and Beneficiary.

15. In this Deed of Trust, unless the context requires otherwise, the masculine gender includes the feminine and/or neuter, the singular number includes the plural, the term "property" includes personal and/or real property and the term "building" includes a mobile home. The term "Beneficiary" includes any future holder of the note secured hereby. The term "Trustor" includes the term "Grantor".

16. The rights and remedies of Beneficiary upon the occurrence of one or more defaults by Trustor (whether such rights and remedies are conferred by statute, by rule of law, by this Deed of Trust, or otherwise) may be exercised by Beneficiary, in the sole discretion of Beneficiary, either alternatively, concurrently, or consecutively in any order. The exercise by Beneficiary, or by Trustee at the express direction of Beneficiary, of any one or more of such rights and remedies shall not be construed to be an election of remedies nor a waiver of any other rights and remedies Beneficiary might have unless, and limited to the extent

that, Beneficiary shall so elect or so waive by an instrument in writing delivered to Trustee. Without limiting the generality of the foregoing, to the extent that this Deed of Trust covers both real and personal property, Beneficiary may, in the sole discretion of Beneficiary, either alternatively, concurrently, or consecutively in any order:

(a) Proceed as to both the real and personal property in accordance with Beneficiary's rights and remedies in respect to the real property; or

(b) Proceed as to the real property in accordance with Beneficiary's rights and remedies in respect to the real property and proceed as to the personal property in accordance with Beneficiary's rights and remedies in respect to the personal property.

Beneficiary may, in the sole discretion of Beneficiary, appoint Trustee as the agent of Beneficiary for the purpose of disposition of the personal property in accordance with the Nevada Uniform Commercial Code--Secured Transactions.

If Beneficiary should elect to proceed as to both the real and personal property collateral in accordance with Beneficiary's rights and remedies in respect to real property:

(a) All the real property and all the personal property may be sold, in the manner and at the time and place provided in this Deed of Trust and Security Agreement, in one lot, or in separate lots consisting of any combination or combinations of real and personal property, as the Beneficiary may elect, in the sole discretion of Beneficiary.

(b) Trustor acknowledges and agrees that a disposition of the personal property collateral in accordance with Beneficiary's rights and remedies in respect to real property, as hereinabove provided, is a commercially reasonable disposition of the collateral.

If Beneficiary should elect to proceed as to the personal property collateral in accordance with Beneficiary's rights and remedies in respect to personal property, Beneficiary shall have all the rights and remedies conferred on a secured party by NRS 104.9501 to NRS 104.9507, both inclusive.

ACKNOWLEDGMENT

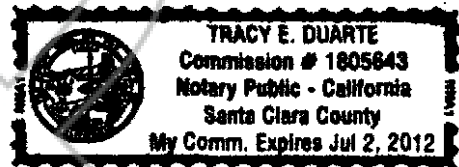
State of California
County of Santa Clara

On 8/29/08 before me, Tracy E. Duarte, Notary Public
(insert name and title of the officer)

personally appeared Brandon Richard Paser
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 California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.



Signature Tracy E. Duarte (Seal)

Attachment to page 9

