

APN: 1419-04-000-013

Escrow No. 1028348-02

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

WHEN RECORDED, MAIL TO:

James E. Morehouse Jr.

P.O. Box 294

Dayton, NV 89403



DEED OF TRUST WITH ASSIGNMENT OF RENTS

This Deed of Trust, made this 24th day of June, 2010, between **PATRICK DRUDGE**, as Trustee of **THE PATRICK DRUDGE 2003 TRUST** dated January 14, 2003, herein called TRUSTOR, whose address is: 4087 Westwood Drive, Carson City, NV 89703; **STEWART TITLE OF NEVADA HOLDINGS, INC.**, a Nevada corporation, herein called TRUSTEE, and **JAMES E. MOREHOUSE, JR.**, as Trustee of the **JAMES E. MOREHOUSE, JR. REVOCABLE LIVING TRUST** dated August 20, 2002, herein called BENEFICIARY, whose address is P.O. Box 294 Dayton, NV 89403.

Witnesseth: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, that property in Carson City County, Nevada, described as follows:

See Exhibit "A" attached hereto.

TOGETHER WITH the rents, issues and profits thereof, reserving the right to collect and use the same except during continuance of some default hereunder and during continuation of such default authorizing Beneficiary to collect and enforce the same by any lawful means in the name of any party hereto.

For the purpose of securing: 1. Performance of each agreement of Trustor incorporated by reference or contained herein. 2. Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extension or renewal thereof, in the principal sum of **\$237,500.00** executed by Trustor in favor of Beneficiary or order. 3. Payment of such additional sums as may hereafter be advanced for the account of Trustor or Assigns by Beneficiary with interest thereon.



To protect the security of this Deed of Trust, Trustor agrees: By the execution and delivery of this Deed of Trust and the note secured hereby, that provisions (1) to (16) inclusive of the master form deed of trust recorded in Book 72, Page 537, as Document No. 32867 of Official Records in the Office of the County Recorder of Carson City County, Nevada (a copy of which is attached hereto as **Exhibit " B "**), hereby are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that he will observe and perform said provisions; and that the references to property, obligations, and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

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

The parties agree that with respect to provision 16, the amount of fire insurance required by covenant 2 shall be \$N/A and with respect to attorney's fees provided for by covenant 7 the percentage shall be reasonable.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at his address hereinbefore set forth.

Patrick Drudge
**PATRICK DRUDGE, as Trustee of
THE PATRICK DRUDGE 2003 TRUST**

STATE OF NEVADA)
) ss.
COUNTY OF Washoe)

This instrument was acknowledged before me on June 24, 2010, by PATRICK DRUDGE, as Trustee of THE PATRICK DRUDGE 2003 TRUST.



Suzanne Haskins
Notary Public
My Commission Expires: September 2, 2011



EXHIBIT "A"

All that certain real property located within the Northeast 1/4 of Section 4, Township 14 North, Range 19 East, M.D.M., further described as a portion of Parcel 15-020-19 and a portion of Parcel 15-020-20, as shown on that certain Record of Survey, for Prim Holdings, Inc., Doc. No. 494257, Filed for Record on June 16, 2000, Book 600, Page 3610, Official Records of Douglas County, Nevada, further described as a portion of APN'S 1419-04-000-008 and 1419-04-000-009, more particularly described as follows:

COMMENCING at the Northwest corner of Parcel 15-020-19 as shown on said Record of Survey Map doc. #494257

thence South 45°13'05" East, 419.21 feet, to the TRUE POINT OF BEGINNING;

thence North 89°06'10" East, 1128.09 feet;

thence South 00°27'38" West, 1144.63 feet;

thence North 59°11'13" West, 1306.91 feet;

thence North 00°27'38" East, 457.50 feet to the TRUE POINT OF BEGINNING;

Reference is made to Parcel 1 on Record of Survey for Boundary Line Adjustment, Document No. 688595.

APN 1419-04-000-013

"In Compliance with Nevada Revised Statute 111.312, the herein above legal description was taken from instrument recorded November 14, 2006, Book 1106, Page 4835, as file No. 688596, recorded in the official records of Douglas County, State of Nevada."



EXHIBIT "B"

The following is a copy of provisions (1) to (16) inclusive, of the deed of trust, recorded in each county in Nevada, as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To properly care for and keep said property in good condition and repair, not to remove or demolish any building thereon; to complete in a good and workmanlike manner any building 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 requiring any alterations or improvements to be 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 law; 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. The Grantor agrees to pay and discharge all costs, fees and expenses of these Trusts, including cost of evidence of title and Trustee's fees in connection with sale, whether completed or not, which amounts shall become due upon delivery to Trustee of Declaration of Default and Demand for sale, as hereinafter provided.

3. The amount collected under any fire insurance policy shall be credited: first, to accrued interest; next to expenditures hereunder; and any remainder upon the principal and interest shall thereupon cease upon the amount so credited upon principal; provided, however, that at the option of the Beneficiary, the entire amount collected under the policies or any part thereof may be released to the Grantor, without liability upon the Trustee for such release.

4. The Grantor promises and agrees that if, during the existence of the Trust there be commenced or pending any suit or action affecting said conveyed premises, or any part thereof, or the title thereto, or if any adverse claim for or against said premises, 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 any 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. Trustee shall be under no obligation to notify any party hereto of any pending sale hereunder or of action or proceeding of any kind in which Grantor, Beneficiary and/or Trustee shall be named as defendant, unless brought by Trustee.

7. Acceptance by Beneficiary of any sum in payment of any indebtedness secured hereby, after the date when the same is due, shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums so secured or to declare default as herein provided for failure so to pay.

8. Trustee may, at any time, or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the notes secured hereby for 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 said property: reconvey any part of said 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 subordination agreement in connection herewith.

9. Upon receipt of written request from Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, the Trustee shall reconvey without warranty the property then held hereunder. The recitals in such reconveyances 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," and Trustee is authorized to retain this Deed of Trust and note.

(a) Should default be made by Grantor in payment of any indebtedness secured hereby and/or in performance of any agreement herein, then Beneficiary may declare all sums secured hereby immediately due by delivery to Trustee of a written declaration of default and demand for sale, and of written notice of default and election to cause said property to be sold (which notice Trustee shall cause to be filed for record) and shall surrender to Trustee this Deed, the notes and all documents evidencing any expenditure secured hereby.

10. After three months shall have elapsed following recordation of any such notice of default, Trustee shall sell said property at such time and at such place in the State of Nevada as the Trustee, in its sole discretion shall deem best to accomplish the objects of these Trusts, having first given notice of such sale as then required by law. Place of sale may be either in the county in which the property to be sold, or any part thereof, is situated, or at an office of the Trustee located in the State of Nevada.

(a) The Grantor, Pledgor and Mortgagor of the personal property herein pledged and/or mortgaged waives any and all other demands or notices as conditions precedent to sale of such personalty.



(b) Trustee may postpone sale of all, or any portion, of said property by public announcement at the time fixed by said notice of sale, and may thereafter postpone said sale from time to time by public announcement at the time previously appointed.

(c) At the time of sale so fixed, Trustee may sell the property so advertised or any part thereof, either as a whole or in separate parcels at its sole discretion, at public auction, to the highest bidder for cash in lawful money of the United States, payable at time of sale, and shall deliver to such purchaser a deed conveying the property so sold, but without covenant or warranty, express or implied, Grantor hereby agrees to surrender, immediately and without demand, possession of said property to such purchaser.

11. Trustee shall apply the proceeds of any such sale to payment of: expenses of sale and all charges and expenses of Trustee and of these Trusts, including cost of evidence of title and Trustee's fee in connection with sale; all sums expended under the terms hereof, not then repaid, with accrued interest at the rate of ten percent (10%) per annum; all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

12. The Beneficiary or assigns may, at any time, by instrument in writing, appoint a successor or successors to the Trustee named herein or acting hereunder, which instrument, executed and acknowledged by Beneficiary, and recorded in the Office of the County Recorder of the County or Counties wherein said property is situated, shall be conclusive proof of the proper substitution of such successor or trustee, who shall have all the estate, powers, duties and trusts in the premises vested in or conferred on the original Trustee. If there be more than one Trustee, either may act alone and execute the Trusts upon the request of the Beneficiary and his acts shall be deemed to be the acts of all Trustees, and the recital in any conveyance executed by such sole trustee of such requests shall be conclusive evidence thereof, and of the authority of such sole Trustee to act.

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.

14. Trustee accepts these trusts when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

15. 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, and the term Beneficiary shall include any future holder, including pledgees, of the note secured hereby.

16. Where not inconsistent with the above the following covenants, No. 1; 2 (\$N/A); 3; 4 (10%); 5; 6; 7 (6.0%); 8; of NRS 107.030 are hereby adopted and made a part of this Deed of Trust.