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| | | OFFICIAL RECORD Requested By: JOHN STEINER |
|---|--|--|
| | Assessor's Parcel Number: 1419-26-301-00 | |
| I | Recording Requested By: | Douglas County - NV Karen Ellison - Recorder Page: 1 Of 7 Fee; |
| / | Name: Man Keed | BK-1110 PG-6306 RPTT: |
| | Address: 1521 Hwy 395 North | 1 180111 58111 18811 18811 81891 81181 81181 118 |
| | City/State/Zip CMMOSVIIO XV | |
| | 89410 | |
| | Real Property Transfer Tax: | |
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This page added to provide additional information required by NRS 111.312 Sections 1-2. (Additional recording fee applies) This cover page must be typed or legibly hand printed.



SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement") is entered into as of the day of Mol 2010, notwithstanding the later execution hereof (the "Effective Date"), by and between WILLIAM R. TOMERLIN and MARSHA L. TOMERLIN, as individuals, WILLIAM R. TOMERLIN and MARSHA L. TOMERLIN, as trustees of The Tomerlin Trust, GENOA SHARE, LLC., a Nevada Limited Liability Company, INCOMPARABLE HOLDINGS, LLC, as Manager of Genoa Share LLC., (collectively herein "Debtor") joint and severally, and WARREN W. REED INSURANCE INC., a Nevada Corporation ("Secured Party").

WITNESSETH:

- 1. <u>Creation of Security Interest</u>. For valuable consideration, receipt of which is hereby acknowledged, Debtor hereby grants unto Secured Party, a present security interest in that collateral described on Exhibit "A" attached hereto and by this reference incorporated herein (the "Collateral"). Debtor shall cooperate with Secured Party to confirm Secured Party's priority security interest in any such substituted Collateral.
- 2. <u>Obligation of Debtor</u>. Debtor shall pay to Secured Party the sums evidenced by a Promissory Note (the "Note") signed by Debtor in the original principal amount of up to Fourteen Thousand Four Hundred Fifty and 42/100 DOLLARS (\$14,450.42) dated November 1, 2010, in accordance with the terms of said Note (the "Obligation"). In the event that said Promissory Note shall be subsequently amended, Debtor shall pay to Secured Party the sum evidenced and in a manner prescribed by said amendment.
- 3. <u>Debtor's Covenants</u>. Debtor covenants and agrees to:
 - (a) To pay the Obligation to Secured Party in accordance with the Note;
- (b) Not to permit liens on the Collateral, except existing liens, current tax liens, and purchase money liens without the consent of Secured Party;
- (c) Not to use the Collateral for any unlawful purpose or in any way that may cause a material adverse change in Secured Party's interest in the Collateral; and
- (d) To notify Secured Party promptly in writing of any default, potential default, or similar development that would have a material adverse effect on Secured Party's interest in the Collateral.
- 4. <u>Debtor's Warranties and Representations</u>. Debtor covenants, warrants, and represents as follows:
 - (a) Debtor has a valid ownership interest in and possession of the Collateral;



- (b) This Agreement is a valid and binding obligation of Debtor. When perfected, this Agreement shall create a first-priority security interest enforceable against the Collateral in which Debtor now has rights, and will create a first-priority security interest enforceable against the Collateral in which Debtor later acquires rights, when Debtor acquires those rights; and
- (c) Neither the execution and delivery of this Agreement, nor the taking of any action in compliance with it, will violate or breach any law, regulation, rule, order or judicial action binding on Debtor, any agreement to which Debtor is a party, or result in the creation of a lien against the Collateral except that created by this Agreement.
- 5. <u>Termination of Agreement</u>. This Agreement will terminate when Debtor completes performance of the Obligation to Secured Party. Secured Party shall be responsible for filing any termination statements or similar documents to demonstrate the fulfillment of the Obligation and the termination of this Agreement.
- 6. <u>Default</u>. Debtor shall be considered in default under this Agreement if:
- (a) Debtor fails to pay the Obligation, or any portion thereof, to Secured Party when due, at stated maturity, on accelerated maturity, or otherwise in accordance with the Note evidencing the Obligation;
- (b) Debtor commits a breach of this Agreement, or any other agreement made in writing between Debtor and Secured Party evidencing the Obligation or securing it;
 - (c) Any warranty or representation made by Debtor herein is false;
 - (d) There is a seizure or attachment of, or a levy on, the Collateral; and
- (e) Debtor applies for or consents to the appointment of a receiver, trustee, liquidator, or custodian of himself or of a substantial part of his property; is unable, or admits in writing his inability, to pay its debts generally as they mature; makes a general assignment for the benefit of his creditors or any of them; commences a voluntary case or other proceeding seeking reorganization or other relief with respect to himself or his debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect, or consents to any relief or to the appointment of or taking possession of his property by any official in an involuntary case or other proceeding commenced against him and any such proceeding is not dismissed or discharged within sixty (60) days of commencement; or takes any action for the purpose of effecting any of the foregoing.



- 7. Remedies: Debtor and Secured Party shall have the following rights and remedies:
- (a) Secured Party may exercise all rights and remedies available to a secured creditor after default, including but not limited to the rights and remedies of secured creditors provided for in Article IX of the Uniform Commercial Code in effect in the State of Nevada at the date of this Security Agreement.
- (b) Debtor shall have all the rights and remedies before or after default provided for in the Uniform Commercial Code in effect in the State of Nevada at the date of this Security Agreement.
- 8. <u>Attorneys' Fees and Costs</u>. In any action to enforce or interpret this Agreement, the prevailing party in such action shall be entitled to recover all costs and expenses incurred, including reasonable attorneys' fees in addition to any other relief afforded.
- 9. <u>Waiver: Modification</u>. Any term or provision of this Agreement may be waived at any time by the party entitled to the benefit thereof by a written instrument duly executed by such party. Any modification of this Agreement or additional obligations assumed by either party in connection with this Agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.
- 10. <u>Survival of Representations and Warranties</u>. Debtor's representations and warranties made in this Agreement will survive its execution and delivery.
- 11. <u>Assignment and Binding Effect</u>. This Agreement may not be assigned by any party hereto without the prior written consent of the other party. Subject to the foregoing, all of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and assigns of Debtor and Secured Party.
- 12 <u>Governing Law</u>. This Agreement will be governed by the laws of the State of Nevada without regard to conflicts of laws principles.
- 13. <u>Severability</u>. Any provision of this Agreement which is invalid or unenforceable shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- 14. <u>Entire Agreement</u>. This Agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent not expressly set forth in this Agreement.
- 15. <u>Joint and Several Liability</u>. Obligations of the Debtor under this agreement shall be joint and several, and all references to Debtor shall mean each and every Debtor. This means that each and every signatory hereto is responsible for all obligations in this agreement. Whenever used herein,

the words "undersigned," "Debtor" and "Secured Party" shall be deemed to include their respective heirs, personal representatives, successors and assigns.

- 16. Previous Agreements. This Agreement supercedes and replaces a previous agreement between the parties and monies previously due. Monies previously due have a current balance of Fourteen Thousand Four Hundred Fifty and 42/100 DOLLARS (\$14,450.42).
- 17. Counterparts. This Agreement may be executed in one or more counterparts, each of which, when taken together, shall form one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been entered into by the parties hereto as of the day and date first set forth above.

"Debtor"

By:

WILLIAM R. TOMERLIN, Individually, and as Trustee of the Tomerlin Trust, by MARSHA L. TOMERLIN Attorney in Fact.

By:

MARSHA L. TOMERLIN, Individually, and as Trustee of the Tomerlin Trust.

INCOMPARABLE HOLDING COMPANY LLC, a Nevada limited liability company, Manager

By:

MARSHA L. TOMERLIN, Manager

GENOA SHARE, LLC, a Nevada limited liability company

INCOMPARABLE HOLDING COMPANY LLC, a By: Nevada limited liability company, Manager

By:

MARSHA L. TOMERLIN, Manager

"Secured Party"

WARREN W. REED INSURANCE INC. EMPLOYEES PROFIT SHARING TRUST, a Nevada trust.

By:

ALAN G. REED, Trustee.

This acknowledgement is attached to a mark registration dated

11/29/10

State of Nevada County of Douglas

This instrument was acknowledged before me on **Moy**.

Alan G. Reed

(seal)

BAUDELIA CAMPOS NUTY BY BINDLIC OF NEVADA My Appt. Exp. Nov. 8, 2014

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BK- 1110 PG- 6312 774551 Page: 7 Of 7 11/29/2010

EXHIBIT A COLLATERAL

1. A lot located at 421 Mountain Meadow Drive, Genoa, Douglas County, Nevada and more particularly described as T14 N R 19 E, Sec. 26, N 2 SW 4, 1419-26-3; APN: 1419-26-301-006.

(My commission expires (optional)

2. Marsha L. Tomerlin 18.52% membership interest in Incomparable Holdings, LLC.

| Short form fo | r acknowledgmen | it in individual capacity | /// |
|---|-----------------------------------|---------------------------|-----|
| State of Nevada County Douglas |)) ss.) | | |
| This instrument was acknown by (name(s) of person(s)) | wledged before me on Maksha L. | (date) November 29, I | 010 |
| | | | |
| \- | | 2 2 4 | |

CHERYL AGRESTI

NOTARY PÜBLIC

STATE OF NEVADA

Commission Expires: 10-1-2013

Certificate No: 05-99648-5