

APN: 1220-03-110-010

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

RONALD D. ALLING, ESQ.
ALLING & JILLSON, LTD.
Post Office Box 3390
Lake Tahoe, NV 89449-3390

Douglas County - NV
Karen Ellison - Recorder
Page: 1 Of 9 Fee: 22.00
BK-1210 PG- 3002 RPTT: 0.00



Pursuant to NRS 239B.030, I, the undersigned, affirm that this document submitted for recording does not contain the social security number of any person or persons.

R. D. Alling
(TYPE NAME & TITLE)

DEED OF TRUST

THIS DEED OF TRUST is made this 7th day of December 2010 by and between WILLIAM M. SHRUM, IV, whose address is 1373 Bryan Lake, Gardnerville, Nevada 89410 as trustor ("Trustor"), and ALLING & JILLSON, LTD., as trustee ("Trustee"), for the benefit of WILLIAM M. SHRUM, III, and KIM E. SHRUM, as Trustees of The K. & W. Shrum 1998 Trust, as beneficiary ("Beneficiary").

WITNESSETH:

That Trustor irrevocably grants, bargains, sells and conveys to Trustee, in trust with power of sale, for the benefit of Beneficiary, the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures, all easements, rights of way and appurtenances, all water, water rights and all other rights, royalties and profits relating to the real property, including, without limitation, all minerals, oil, gas, geothermal and similar matters, located in the County of Douglas, State of Nevada, commonly known as 1373 Bryan Lane, Gardnerville, Nevada 89410, Assessor's Parcel Number 1220-03-110-010 (the "Property") as more particularly described on the legal description attached hereto as Exhibit "A" and incorporated herein by this reference, which Property shall include any parcels that form any part of the Property that are partitioned or adjusted in the future and are assigned new assessor's parcel numbers or have their legal description modified.

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

ALLING & JILLSON, LTD.
ATTORNEYS AT LAW

For the purpose of securing (1) payment of the sum of Two Hundred Twenty Thousand (\$220,000.00) with interest thereon according to the terms of the Promissory Note of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof (the "Note"); (2) the performance of each agreement of Trustor incorporated by reference or contained herein; (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or their successors or assigns when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust; and (4) all obligations, debts and liabilities, plus interest thereon, of Trustor to Beneficiary as well as any claims by Beneficiary against Trustor, or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Trustor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

This Deed of Trust is governed in part by NRS 106.300 to 106.400 and, therefore, secures future advances made by Beneficiary which are either optional or obligatory.

Trustor shall pay each and every installment of principal and interest on the Note and all other indebtedness secured hereby, as and when the same shall become due, and perform and observe all of the covenants, agreements and provisions contained herein, in the Note and any other instrument given as security for the payment of the Note.

THE LOAN EVIDENCED BY THE NOTE AND SECURED BY THIS DEED OF TRUST IS PERSONAL TO TRUSTOR AND NOT ASSIGNABLE.

IN THE EVENT OF A SALE, CONVEYANCE, TRANSFER OR ENCUMBRANCE OR AN AGREEMENT FOR ANY SALE CONVEYANCE, TRANSFER OR ENCUMBRANCE, DIRECTLY OR INDIRECTLY, EITHER VOLUNTARILY, INVOLUNTARILY OR BY OPERATION OF LAW, OF THE TITLE TO OR POSSESSION OF ALL OR PART OF THE PROPERTY SUBJECT TO THIS DEED OF TRUST, BENEFICIARY MAY DECLARE THE ENTIRE BALANCE OF THE NOTE IMMEDIATELY DUE AND PAYABLE AND TREAT SUCH SALE, CONVEYANCE, TRANSFER OR ENCUMBRANCE AS AN EVENT OF DEFAULT HEREOF.

A. To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep the Property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor preformed and materials furnished therefor; to comply with all laws affecting said Property

or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said Property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to beneficiary fire insurance for eighty percent (80%) of the fair market value of the Property with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at 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.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, if any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

(4) To pay, at least ten (10) days before delinquency and immediately furnish Beneficiary with proof of payment, all taxes and assessments affecting said Property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens with interest, on said Property or any part thereof, which appear to be prior or superior hereto; and all costs, fees and expenses of this Deed of Trust.

Should Trustor fail to make any payment or to do any act as herein provided, the Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said Property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any incumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, pay necessary expenses, employ counsel and pay reasonable attorney's fees. For the above purposes, Trustor hereby irrevocably appoints Beneficiary as Trustor's attorney-in-fact for the purpose of executing, making, delivering, filing, recording and doing all other things as may be necessary or desirable, in Beneficiary's sole opinion, to accomplish the matters referred to in this paragraph.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the rate of ten percent (10%) per annum until paid, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

(6) In the event of sale or transfer, or of any agreement to sell or transfer any interest in the Property subject to this Deed of Trust, the unpaid balance under the Promissory Note securing this Deed of Trust shall become due and payable at the option of the Beneficiary; or upon such transfer, the Beneficiary may allow an assumption of the Promissory Note upon payment of the required service charge and on such conditions as the Beneficiary may require.

B. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of or injury to the Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by Beneficiary in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(2) That 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 for failure so to pay.

(3) That 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 Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of the Property; consent 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 hereof.

(4) That upon written request of beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. Grantor shall be responsible for furnishing the reconveyance fee prior to reconveyance. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of the Property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including

reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as beneficiary may determine. The entering upon and taking possession of the Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law, following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place 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. 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 a deed conveying the Property sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county where the Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

(8) That 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 pledges of the Note secured hereby, 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.

(9) That Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

(10) With respect to any portion of the Property which constitutes personal property or fixtures governed by the Uniform Commercial Code of the State of Nevada (the "Code"), this Deed of Trust shall constitute a security agreement between Trustor as Debtor and Beneficiary as Secured Party, and Trustor hereby grants to Beneficiary a security interest in such portion of the Property. Cumulative of all other rights of Beneficiary hereunder, Beneficiary shall have all of the rights conferred upon secured parties by the Code. Trustor shall execute and deliver to Beneficiary all financing statements that may from time to time be required by Beneficiary to establish and maintain the validity and priority of the security interest of Beneficiary, or any modification thereof, and shall bear all costs and expenses of any searches reasonably required by Beneficiary.

Beneficiary may exercise any or all of the remedies of a secured party available to it under the Code with respect to such property, and it is expressly agreed that if, upon default, Beneficiary shall proceed to dispose of such property in accordance with the provisions of the Code, ten (10) days written notice by Beneficiary to Trustor shall be deemed to be reasonable notice under any provision of the Code requiring such notice; provided, however, that Beneficiary may, at its option, dispose of such property in accordance with Beneficiary's rights and remedies with respect to the real property pursuant to the provisions of this Deed of Trust, in lieu of proceeding under the Code.

(11) With respect to those items of the Property that are or will become fixtures upon the Property, this Deed of Trust shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Property is situated. Information concerning the security interest created by this instrument may be obtained from Beneficiary, as Secured Party, at the address of Beneficiary stated herein. The mailing address of Trustor, as Debtor, is as stated herein.

C. The following miscellaneous provisions shall be a part of this Deed of Trust:

(1) There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Beneficiary in any capacity, without the written consent of Beneficiary.

(2) All obligations of Trustor under this Deed of Trust shall be joint and several, and all references to Trustor shall mean each and every Trustor. This means that each and every signatory hereto is responsible for all obligations in this Deed of Trust.

(3) This Deed of Trust shall be governed by and interpreted and enforced in accordance with the internal laws of the State of Nevada.

(4) Beneficiary shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by the Beneficiary. No delay or omission on the part of Beneficiary in exercising any right shall operate as a waiver of such right or any other right. A waiver of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Beneficiary's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Beneficiary, nor any course of dealing shall constitute a waiver of any of Beneficiary's rights or Trustor's obligations as to any future transactions. Whenever the consent of the Beneficiary is required hereunder, the granting of such consent in any instance shall not constitute continuing consent in subsequent instances where such consent is required and in all cases such consent may be granted or withheld in Beneficiary's sole discretion.

(5) Any provision of this Agreement which is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(6) Time is of the essence in the performance of this Deed of Trust, and, except as otherwise provided herein, in the performance of any act or thing, the date named therein or calculated therefrom, as the date on or before which said act or thing must be performed, shall be controlling. Trustor specifically waives the benefit of the right to perform within a reasonable time after the date so named or so calculated.

(7) To the extent permitted by law, Trustor hereby releases and waives (a) all rights to any homestead exemption in the Property; (b) all rights of dower and curtesy in the Property; and (c) all rights to possession of the Property during any period allowed by law for redemption.

EXHIBIT "A"

All that certain lot, piece or parcel of land situate in the County of Douglas, State of Nevada, described as follows:

Lot 32, in Block D, as shown on the map entitled STODICK ESTATES SOUTH PHASE 1, in the County of Douglas, State of Nevada, filed December 12, 2004, Page 5284, Document No. 631678, in the Office of the County Recorder of said County and as amended by a Certificate of Amendment recorded January 28, 2005, in Book 0105, Page 10247, as Document No. 635505, of Official Records.

APN: 1220-03-110-010