

(the "Trustee")

OF THE THIRD PART

Background

A. The Trustor, being registered as owner of the estate in the following described property (the "Property") located at 331 Tramway Drive #3 Stateline, NV 89449 in Douglas County, State of Nevada, United States with the following legal description:

n/a.

B. Any buildings or structures on the Property and anything now or later attached or fixed to the buildings or the Property including additions, alterations and improvements located on, above or below the surface of the Property are covered by this Trust. However, no additions, alterations or improvements will be made by the Trustor without the Beneficiary's prior written consent. Any addition, alteration or improvement will be subject to all recorded easements, rights of way, conditions, encumbrances and limitations, and to all applicable building and use restrictions, zoning laws and ordinances, if any, affecting the Property.

IN CONSIDERATION OF the sum lent to the Trustor by the Beneficiary, in the amount of \$146,000.00 U.S. DOLLARS (the "Principal Amount") the receipt of which the Trustor does hereby acknowledges itself indebted, the parties to this Trust agree as follows:

U.C.C. Security Agreement

1. It is agreed that if any of the Property herein trusted is of a nature so that a security interest in the Property can be perfected under the Uniform Commercial Code, this instrument will constitute a Security Agreement and Trustor agrees to join with the Beneficiary in the execution of any financing statements and to execute any and all other instruments that will be required for the perfection or renewal of such security interest under the Uniform Commercial Code.

Governing Law

Initials: Smj Jmj

2. This Trust will be governed by both the law of Nevada and any applicable federal law ("Applicable Law"). All rights and obligations contained in this Trust are subject to any requirements and limitations of Applicable Law.

MATTERS RELATING TO PAYMENT

Promise to Pay

3. The Trustor, for value received, promises to pay to the Beneficiary, on demand, the Principal Amount, interest and all fees and costs on the terms set out in this Trust or in any amendment, extension or renewal of the Trust and any additional amounts secured by this Trust on the terms elsewhere provided for such debts and liabilities.

Interest

4. The Trustor agrees to pay the Principal Amount with interest before and after maturity and before and after default at the rate of 9.00 percent calculated per annum and compounding monthly, (the "Interest Rate"). The Interest Rate will be calculated from the date this Trust begins (the "Interest Adjustment Date") and accrues until the whole of the Principal Amount is paid. The Loan will be repaid on the following terms:
 - a. The Principal and interest will be repaid in consecutive monthly installments of \$1,175.00 each on the 10th of each month;
 - b. The Interest Adjustment Date for this Trust is January 14, 2011;
 - c. The balance, if any, of the Principal Amount and any interest thereon and any other moneys owing under this Trust will be due and payable on the February 28, 2016 (the "Maturity Date").

Place of Payment

5. The Trustor will make monthly payments at Per auto debit or at a location later

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Obligation to Pay without Set-off or Delay

11. The Trustor agrees to pay all amounts payable pursuant to this Trust and all additional amounts secured by this Trust without abatement, set-off or counterclaim. Should the Trustor make any claim against the Beneficiary either initially or by way of abatement, set-off or counterclaim, the Trustor agrees that any such claim will not diminish or delay his obligations to make the payments as provided in this Trust.

Application of Payments and Interest after Default

12. All monthly payments received by the Beneficiary will first be applied in payment of the interest calculated at the Interest Rate, and second in payment of the Principal Amount. However, if the Trustor is in default, then the Beneficiary will apply any payments received during this period as the Beneficiary chooses. If the Trustor is in default in payment of any amount including interest, interest will be payable on the interest and other arrears at the Interest Rate compounded monthly.

Annual Prepayment Privileges

13. When not in default, the Trustor may prepay an amount not greater than 0% of the original Principal Amount of the Trust anytime during the year, up to and including the anniversary date of the Interest Adjustment Date (the "Annual Prepayment"). The Trustor may prepay any unpaid Annual Prepayment from previous years in addition to the Annual Prepayment from the current year.

Full Prepayment Privileges

14. Trustor may, at any time after, one year of the term of the Trust or if renewed, after one year of the term of the last renewal of the Trust, prepay the full outstanding balance without penalty.

Discharge

15. When the Trustor pays the Principal Amount, interest and all the other amounts secured by this Trust in full and notifies the Beneficiary in writing, the Beneficiary will execute a Deed or Reconveyance and record it to clear the title

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to the Property. The Trustor will give the Beneficiary a reasonable time after payment in which to prepare and issue the Deed of Reconveyance.

Covenants and Warranties

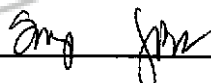
16. The Trustor warrants and agrees that:
- a. the Trustor has good title to the Property;
 - b. the Trustor has the authority to trust the Property;
 - c. on default, the Beneficiary will have quiet possession of the Property;
 - d. the Property is free from all encumbrances;
 - e. the Trustor will execute further assurance of the Property as will be required; and
 - f. the Trustor has not done any act to encumber the Property.
17. The Trustee warrants and agrees that:
- a. Trustee will preserve the title to the Property and the validity and priority of this Trust and will forever warrant and defend the same for the Beneficiary against the claims of all persons.

Fixtures and Additions

18. The Trustor agrees that the Property includes all property of any kind that is now or at any time in the future attached or fixed to the land or buildings or placed on and used in connection with them, as well as all alterations, additions and improvements to the buildings.

Payment of Taxes and Other Encumbrances

19. The Trustor will pay all taxes and other rates levied on the Property and all accounts for utilities supplied to the Property and all charges, trusts, liens and

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this section puts the Beneficiary in possession of the Property.

Property Insurance

- 22. Trustor will insure in the Beneficiary's favor all buildings on the Property that are the subject of the Trust. The insurance will include protection against damage by fire and other perils including "extended peril coverage" and any other perils that the Beneficiary requests. The insurance must cover replacement costs of any buildings on the Property in US dollars. The Trustor will choose the insurance company subject to the Beneficiary's right to disapprove. The insurance policies will include a standard trust clause stating that any loss is payable to the Beneficiary. This Trust will be enough proof for any insurance company to pay any claims to the Beneficiary and to accept instructions from the Beneficiary regarding any insurance claims.
- 23. The Trustor will provide the following at the request of the Beneficiary:
 - a. a copy of the insurance policy;
 - b. receipts of all paid insurance premiums; and
 - c. renewal notices and evidence of renewal completion.
- 24. In the event of loss, the Trustor will provide prompt notice to the Beneficiary and the insurance carrier. The Trustor will provide the Beneficiary with proof of all claims at the Trustor's own expense and do all necessary acts to enable the Trustor to obtain all insurance proceeds from the claim. The insurance proceeds, in whole or in part, will be applied to the restoration and repair of the Property, if the restoration and repair is economically feasible. If the restoration and repair is not economically feasible, the insurance proceeds will be applied to the remainder of the Trust, whether or not the balance of the Trust is then due. Any remaining funds from the insurance claim will be paid to the Trustor.

Repair, Vacancy and Maintenance of the Property

- 25. The Trustor will maintain the Property in good order, condition and repair and will promptly make all necessary repairs, replacements, and improvements. The Trustor will not allow the Property to become or remain vacant without the

Initials: Smj jhb

- c. payment of legal fees in relations to any legal proceedings or legal costs arising from the Property; and
 - d. payment of reasonable costs in repairing and maintaining the Property.
34. Any action referred to in this section is optional for the Beneficiary and the Beneficiary has no duty or obligation to carry out any of the remedies listed in this section and will not incur any liability in the failure to perform such tasks.
35. Any amount disbursed by the Beneficiary in relation to the protection of the Beneficiary's security will become Additional Fees payable by the Trustor.

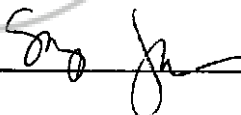
Power of Sale

36. If at any time the Trustor should be in default under this Trust, the Beneficiary will have the right to foreclose and force the sale of the Property without any judicial proceeding. Any delay in the exercising of this right will not constitute as waiver on the part of the Beneficiary to exercise this option at a subsequent time should the Trustor remains in default or if the Trustor becomes default again in the future.

Remedies on Default

37. The Beneficiary will have the right to pursue all remedies for the collection of the amounts owing on this Trust that are provided for by Applicable Law (both federal and state), whether or not such remedies are expressly granted in this Trust, including but without limitation foreclosure proceedings.
38. If the Beneficiary invokes the power of sale, the Beneficiary will cause the Trustee to execute a written notice of the event of default and the Beneficiary's election to sell the Property. The Beneficiary or the Trustee will mail copies of the notice as prescribed by Applicable Law to Trustor and other persons as required by Applicable Law. The Trustee will give public notice of sale to the Trustor in the manner provided for by Applicable Law. After the time required by Applicable Law, the Trustee, without demand on the Trustor, will sell the Property at public auction to the highest bidder, at the time and place and subject to the terms indicated in the notice of sale. The Trustee may postpone

Initials: _____



sale of the Property by public announcement at the time and place of any scheduled sale.

MISCELLANEOUS MATTERS

Interpretation and Headings

39. Headings are inserted for the convenience of the parties to the Trust and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender mean and include the feminine gender and vice versa. Words importing persons include firms and corporations and vice versa.

Severability

40. If any provision of this Trust will be held invalid or be prohibited by the Applicable Law, such provision will not invalidate the remaining provisions of this Trust and such provisions of the Trust will be amended or deleted as necessary to comply with the Applicable Law.
41. Nothing contained in this Trust will require the Trustor to pay or for the Beneficiary to accept interest in an amount greater than that allowed by Applicable Law. If the payment of interest or other amounts under this Trust would otherwise exceed the maximum amount allowed under Applicable Law or violate any law as to disclosure or calculation of interest charges, then the Trustor's obligations to pay interest or other charges will be reduced or amended to the maximum rate or amount permitted under Applicable Law.

Joint Signatures

42. If the Trustor is more than one person or legal entity, each person or legal entity who signs it will be jointly and severally bound to comply with all covenants and obligations of the Trustor and the said covenants and obligations will bind all of the Trustor's successors and permitted assigns. The Trust will enure to the benefit of the Beneficiary and the Beneficiary's successors and assigns.

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constitute as being effective on the same day that it was sent, unless the day in which the Notice was sent falls on a national holiday, Saturday or Sunday, in which case, the next business day would be considered as the day of receipt.

IN WITNESS WHEREOF the Trustors, have duly affixed their signatures under hand and seal on this 18th day of January, 2011.

James R. Pandl

James R. Pandl
(Trustor)

Shele M. Pandl

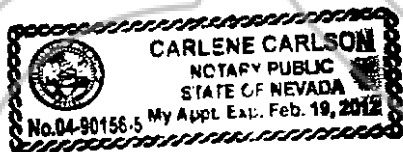
Shele M. Pandl
(Trustor)

Trustor Acknowledgment

State of Nevada)
County of Douglas.

This instrument was acknowledged before me on 1-19-2011 by James R. Pandl.

Seal:



Carlene Carlson
CARLENE CARLSON, Notary Public

My commission expires: 2-19-2012

Trustor Acknowledgment

Initials: _____

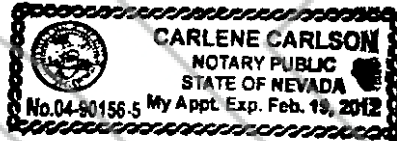
State of Nevada)
County of Douglas

This instrument was acknowledged before me on 1-19-2011 by Shele M. Pandl.

Seal:

Carlene Carlson
Notary Public

My commission expires: 2-19-2012



Initials: _____

EXHIBIT "A"
LEGAL DESCRIPTION

ESCROW NO.: 98070049

The land referred to herein is situated in the State of Nevada,
County of Douglas, described as follows:

PARCEL 1:

Unit 3, of the AMENDED MAP OF SNOWDOWN, being all of Lot 57,
located in Tahoe Village Subdivision Unit No. 1, Douglas County,
Nevada, filed for record on October 29, 1974, as Document No.
76174.

PARCEL 2:

An undivided 1/26th interest in all of the "Common Area" as
shown on the "Amended Map of Snowdown" being all of Lot 57 in
Tahoe Village Subdivision Unit No. 1, Douglas County, Nevada,
filed for record on October 29, 1974, as Document No. 76174.

Assessment Parcel No. 40-060-03.

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