

APN: 1022-16-002-104

Douglas County - NV  
Karen Ellison - Recorder  
Page: 1 Of 6 Fee: 19.00  
BK-0512 PG- 2086 RPTT: 0.00



WHEN RECORDED, RETURN TO:  
Armstrong Teasdale LLP  
50 West Liberty, Suite 950  
Reno, Nevada 89501  
Attn: Louis Bubala

**SECOND DEED OF TRUST**

This **DEED OF TRUST**, made on this 9<sup>th</sup> day of MAY, 2012, between Evan Ladell Allred and Vickie Lynette Allred (herein collectively called "TRUSTOR" or "GRANTOR"), whose address is 3701 Highway 208, Wellington, NV, 89444, FIRST AMERICAN TITLE INSURANCE COMPANY (herein called "TRUSTEE"), whose address is 5310 Kietzke Lane, Ste. 100, Reno, NV 89511, and, Donna Schlutsmeier (herein called "BENEFICIARY"), whose address is 1325 Pebble Springs Lane, Glendora, California 91741. This Deed of Trust is made in connection with the First Amendment to Debtors' Second Amended Plan of Reorganization (herein called "PLAN") in the United States Bankruptcy Court, District of Nevada, BK10-52518-GWZ, dated October 17, 2011, and confirmed by the United States Bankruptcy Court by its order dated December 28, 2011.

WITNESSETH: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, that property in Douglas County, Nevada, more particularly described on Exhibit "A" attached hereto and made a part hereof, commonly known as 3701 Highway 208, Wellington, NV 89444 together with all and singular buildings, improvements, tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining ("Property") 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 continuance 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 identified in the Plan, in the approximate initial principal sum of \$378,640.00, executed by Trustor, in favor of Beneficiary or assignee. 3. Payment of such additional sums as may hereafter be advanced for the account of Trustor or assigns by Beneficiary, if any, with interest thereon. 4. The obligations of Trustor under the Plan, which includes that,

until the aforementioned amount is paid in full, a right to net sales proceeds or loan refinancing proceeds, the right to list the Property for sale under upon recordation of a notice of default by the holder of the first priority deed of trust, and the right to payment in full on or before December 31, 2013.

A. 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 through 16, inclusive, of the Deed of Trust recorded in the Book and at the page, or Document No. of Official Records in the Office of the County Recorder of the county where said property is located, noted below opposite the name of such county, viz:

<u>County</u>	<u>Document Number</u>	<u>Book</u>	<u>Page</u>	<u>County</u>	<u>Document Number</u>	<u>Book</u>	<u>Page</u>
Clark	413987	514		Lyon	88486	31mtgs.	449
Churchill	104132	34mtgs.	591	Mineral	76648	16mtgs.	534-537
Douglas	24495	22	415	Nye	47157	67	163
Elko	14831	43	343	Ormsby	72637	19	102
Esmeralda	26291	3Hdeeds	138-141	Pershing	57488	28	58
Eureka	39602	3	283	Storey	28573	R mtgs.	112
Humboldt	116986	3	83	Washoe	407205	734	221
Lander	41172	3	758	White Pine	128126	261	331-344
Lincoln	41292	0.mtgs.	467				

hereby are adopted and incorporated herein and made a part hereof as fully as though set forth herein at length; that it 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 the Deed of Trust. Where not inconsistent with the above, the following covenants, Nos. 1; 2 (\$1,000,000); 3; 4 (the same as the Plan obligations secured hereby) 5; 6; 7 (9%); 8; of NRS 107.030 are hereby adopted and made a part of this Deed of Trust;

B. THE PARTIES FURTHER AGREE THAT:

1. Subordination to First Deed of Trust Only. This Deed of Trust is intended to be subject and subordinate to the amount described in the Plan, Article V, Section 1B, Paragraph 4, "Class 4 Secured Claim [Jeffrey A. Schreiber]" secured by a first priority deed of trust, further described in the next paragraph. Except for the aforementioned subordination in the amount stated above, this Deed of Trust is intended to be and remain at all times prior and superior to any other deeds of trust on the property described herein, and any principal amounts in excess of the above stated limit, or any future advances (if any) made at any time under the aforementioned first deed of trust.

2. Request for Notices of Default and Sale. In accordance with NRS 107.090, Beneficiary hereby requests that copies of any notice of default or of sale under that first deed of trust executed by Trustor, and recorded on September 12, 2009, as Instrument No.750,812 in Book No. 909, Page 351, in the Official Records of the Recorder's Office of Douglas County, Nevada, in which Gearhardt Schreiber, Jeffrey A. Schreiber and Mary E. Schreiber all as joint tenants are named as beneficiaries and First American Title Company as trustee, be mailed to beneficiary, at the address set forth above.

3. Due on Transfer or Refinancing. In the event that all or any part of the Property, or any interest in the Property (beneficial or equitable), is voluntarily or involuntarily sold, agreed to be sold, refinanced, further encumbered or alienated by Trustor, by operation of law or otherwise, without the prior written consent of the Beneficiary, all sums secured by this Deed of Trust shall, at the option of the Beneficiary, immediately become due and payable. Consent to such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions.

4. Defaults of Prior Encumbrances. In the event that Trustor's action or inactions result in a default under any prior encumbrance, including the first priority deed of trust described above, such default shall be a default under this Deed of Trust, entitling Beneficiary to all remedies available at law or in equity. In the event a notice of default is recorded by any holder of an encumbrance secured by the Property, Beneficiary shall have the rights to list the Property for sale(in addition to all other remedies) as provided by the Plan.

5. Due in full on or before December 31, 2013. As provided in the Plan, it is a default, entitling Beneficiary to all remedies available at law or in equity, including non-judicial foreclosure under the power of sale, if the amounts secured by the Deed of Trust are not paid in full on or before December 31, 2013.

6. Events of Default. Each of the following, at Beneficiary's option, shall constitute an Event of Default under this Deed of Trust:

a. *Payment Default.* Trustor fails to make any payment when due under the Plan.

b. *Other Defaults.* Trustor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in the Plan or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Beneficiary and Trustor, including the other deeds of trust between Trustor and Beneficiary, either previously existing or authorized under the Plan.

c. *Default on Other Payments.* Failure of Trustor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

d. *Default in Favor of Third Parties.* Should Trustor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person identified in the Plan holding secured claims or obligations, including the first priority deed of trust.

e. *Defective Collateralization.* This Deed of Trust, or any of the deeds of trust referenced in the Plan, ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

f. *Insolvency.* The appointment of a receiver for any part of Trustor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Trustor.

g. *Intentionally Reserved.*

h. *Breach of Other Agreement.* Any breach by Trustor under the terms of any other agreement between Trustor and Beneficiary, including other deed of trust, that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Trustor to Beneficiary, whether existing now or later.

i. *Existing Indebtedness.* The payment of any installment of principal or any interest as provided in the Plan, is not made within the time required by the Plan, or any suit or other action is commenced to foreclose any existing lien on the Property.

j. *First Deed of Trust Payments.* Trustor fails to provide Beneficiary with notice (first class mail) within one (1) calendar day of their failure to make any required payment on the debt secured by the first priority deed of trust.

7. Remedies. Upon an Event of Default, Beneficiary shall have in addition to those provided herein or at law and equity, those provided in the Plan.

IN WITNESS WHEREOF, the undersigned has executed this short form deed of trust on the day and year above written.

**"TRUSTOR"**

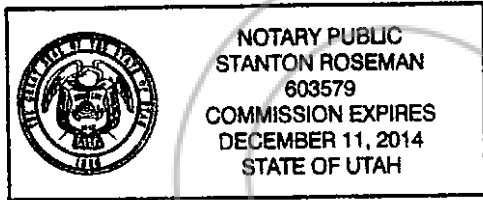
By: [Signature]  
Evan Allred

By: [Signature]  
Vickie Allred

STATE OF Utah )  
) ss.  
COUNTY OF Washtan )

The foregoing instrument was acknowledged by me this 4 day of May, 2012.

[Signature]  
Notary Public



**EXHIBIT "A"**

[LEGAL DESCRIPTION ATTACHED HERETO]

A PARCEL OF LAND LYING IN A PORTION OF THE S1/2 SE1/4 SECTION 16, T. 10N., R. 22E., M.D.B.&M., DOUGLAS COUNTY, NEVADA; FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE S.W. CORNER OF SAID SECTION 16, THENCE ALONG THE SOUTH LINE OF SAID SECTION 16, S.89°58'E., 2635.53 FEET TO THE SOUTH ONE-QUARTER CORNER OF SAID SECTION 16, THENCE ALONG SAID SECTION LINE N.89°45'E., 189.60 FEET TO THE S.W. CORNER OF THIS 30.00 ACRE PARCEL AND TRUE POINT OF BEGINNING, THENCE CONTINUING ALONG SAID SECTION LINE.

N.89°45'E., 1451.80 FEET TO THE S.E. CORNER, THENCE LEAVING THE SECTION LINE NORTH 1155.20 FEET TO THE SOUTHERLY R/W LINE OF STATE HIGHWAY 3, THENCE ALONG SAID R/W LINE S.66°55'W., 234.55 FEET TO THE HIGHWAY ENGINEER'S STATION 'H' 103+62.97 P.T., THENCE ON A CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 14°32'32" WITH A RADIUS OF 5075.00 FEET, FOR A LENGTH OF 1288.08 FEET, THENCE LEAVING SAID R/W SOUTH 719.52 FEET TO THE SOUTH LINE OF SECTION 16, AND TRUE POINT OF BEGINNING.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION PREVIOUSLY APPEARED IN THAT CERTAIN DOCUMENT RECORDED SEPTEMBER 17, 2009 IN BOOK 909, PAGE 3516 AS INSTRUMENT NO. 750811 OF OFFICIAL RECORDS, DOUGLAS COUNTY, NEVADA.