

50

DOUGLAS COUNTY, NV 2015-855167

Rec:\$56.00

Total:\$56.00

01/02/2015 08:36 AM

FIRST AMERICAN TITLE

Pgs=18

Assessor's Parcel No.: 1220-03-410-013

Recording Requested by and,

When Recorded Mail to:

Ryan McTee
1758 Solitude Lane
Gardnerville, Nevada 89410



00005980201508551670180184

KAREN ELLISON, RECORDER

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING
(MCTEE)**

This Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (this "Deed of Trust") is made effective as of January 2, 2015, by and between DERICK PETERSON and RGR PROPERTIES, INC., a Nevada corporation ("Trutor"), First American Title Insurance Company, 1663 Hwy 395 Ste 101, Minden, NV 89423, as Trustee ("Trustee"), and RYAN MCTEE as Beneficiary ("Beneficiary").

Trutor hereby grants, bargains, sells, assigns, transfers, and pledges the real property, described on Exhibit "A", attached hereto and incorporated herein by reference, which is situated in the County of Douglas and State of Nevada, to Trustee in trust, with power of sale for the benefit of Beneficiary, to have and to hold upon the trusts, covenants and agreements hereinafter set forth.

TOGETHER WITH: (a) All buildings, structures and all other improvements that are, or that may be hereafter, erected or placed thereon or therein; (b) all interests of Trutor in and to all inventory, equipment, fixtures and other goods now or in the future located thereon or therein or otherwise affixed or attached to or installed in said real property, including furniture, furnishings, machinery, appliances, generators, boilers, furnaces, water tanks, heating, ventilating and air conditioning equipment, and building materials and supplies, and all accessories, additions, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property; (c) all water rights and rights to the use of water that are now or that may be hereafter used in connection with the said real property or any part thereof and any improvements or appurtenances thereto; (d) any and all other rights pertaining or appurtenant, including, without limitation, all development rights and mineral rights and easements and right-of-way now owned or hereafter acquired which are used in connection with any portion of the said real property or as a means of ingress to or egress from said real property, and the interests of Trutor herein; (e) subject to the present assignment of rents which is hereinafter made to Beneficiary: (i) the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, and the rents, issues, income revenues, royalties and profits thereof, and (ii) Trutor's interest as lessor in and to all leases of said real property, or any part thereof, now existing or hereafter made, including all modifications, extensions and renewals thereof, provided that any purchaser at foreclosure of the real property granted hereunder shall be entitled, at its election, to terminate or enforce any lease of

This instrument is being recorded as an 3
"Accommodation Only" by First American
Title Insurance Company and has not
been examined as to its validity, execution
or its effect upon title, if any.

the said real property, or any part thereof, which is hereinafter entered into, modified, extended or renewed; (f) all the estate, right, title, property, possession, interest or other claim or demand, in law or in equity, which Trustor now has or may hereafter acquire, in or to the said real property, or any part thereof, with appurtenances; (g) any interest of Trustor as tenant under any leases of such real property, now or hereafter executed; (h) Trustor's interest in and to all contracts, contract rights, accounts, general intangibles, deposit accounts, instruments and documents now or in the future relating to or arising in connection with said real property, including permits, approvals and other government authorizations, plans and specifications, agreements with contractors, subcontractors, suppliers, managers and supervisors, architects and engineers, warranties, indemnities and insurance policies, take-out, refinancing and other loan commitments, claims, awards and settlements relating to or arising from any insurance or loss of, damage to, trespass on, or taking, condemnation or public use of any said real property, license agreements, purchase and sale agreements and options, sale proceeds, escrow proceeds, deposits, rights to payment, trademarks, trade names, goodwill and other types of intangible personal property of any kind or nature; and (i) any and all other rights pertaining to or appertaining to the said real property, and the interests of Trustor therein. The real property together with the rights and interests of Trustor described herein above shall hereinafter collectively be referred to as the "Property."

FOR THE PURPOSE OF SECURING:

E. Payment of the principal sum of Three hundred fifty Thousand and 00/100 Dollars (\$350,000.00) as may be adjusted therein, together with interest thereon, according to the terms of that certain Promissory Note of even date herewith made by Trustor ("Borrower"), payable to the order of Beneficiary, according to the tenor and effect of said promissory note and all renewals, extensions, modifications, amendments and substitutions of, or for, said promissory note or notes (hereinafter collectively referred to as the "Note").

F. The expenses and costs incurred or paid by Beneficiary in the preservation and enforcement of the rights and remedies of Beneficiary and the duties and liabilities of Trustor hereunder, including, but not by way of limitation, attorneys' fees, court costs, witness fees, expert witness fees, collection costs, and costs and expenses paid by Beneficiary in performing for Trustor's account any obligation of said Trustor under this instrument or under any obligation secured hereby.

G. Performance of every obligation, covenant, agreement and warranty of Trustor contained in this Deed of Trust.

H. Performance of each and every term, provision, covenant and condition contained in any purchase agreement, security agreement, pledge agreement or any other document or instrument executed by Borrower, Trustor, or another party in favor of Beneficiary relating to the loan evidenced by the Note hereby secured (the Note together with any such agreement, document or instrument, shall hereinafter collectively be referred to as the "Loan Documents").

AND IT IS FURTHER PROVIDED THAT:

32. *Compliance with Laws.* Trustor shall not commit, suffer or permit any act to be done, or condition to exist, on the Property which violates or is prohibited by any law, statute, code, act, ordinance, order, judgment, decree, injunction, rule, regulation, permit, license, authorization, direction or requirement of any government or subdivision thereof, whether it be federal, state, county or municipal, which is applicable to the Property, or any part thereof, now or at any time hereafter. The requirements set forth by this Section 1 are hereinafter collectively referred to as the "Legal Requirements".

33. *Repair and Maintenance.* Trustor agrees to properly care for and keep the Property in first class condition, order and repair; to care for, protect and repair all buildings and improvements situate thereon; not to remove or demolish any buildings or other improvements situate thereon; not to remove, materially alter or demolish any buildings or improvements damaged or destroyed thereon; to complete in a good workmanlike manner any building or other improvement which may be constructed thereon; and to pay, when due, all claims for labor performed and for materials furnished therefore; and otherwise to protect and preserve the same; to comply with all Legal Requirements having application to any alterations or improvements made thereon; not to commit or permit any waste or deterioration of said buildings and improvements or of said Property; and to do any other act or acts all in a timely and proper manner, which, from the character or use of the Property may be reasonably necessary to maintain the Property in a first-class condition, the specific enumerations herein not excluding the general.

34. *Environmental Compliance.*

(a) As used herein, the term "Hazardous Substances" shall mean any or all of the following: (i) any and all hazardous substances, hazardous materials, toxic substances or solid waste as defined in the Clean Air Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Resource Conservation Act of 1976, as amended, and the Hazardous Materials Transportation Act, as amended, the Resource Conservation and Recovery Act, as amended, or any other Legal Requirement related to hazardous substances and the regulations promulgated thereunder; (ii) any substance or materials listed as hazardous or toxic in the United States Department of Transportation Table, by the Environmental Protection Agency or any successor agency or under any Federal, state or local laws or regulations; (iii) any asbestos, poly-chlorinated biphenyls, urea formaldehyde foam, explosives or radioactive waste; or (iv) any other chemical, material or substance which is not classified as hazardous or toxic but exposure to which is prohibited, limited or regulated by any Federal, state, local or other governmental authority having jurisdiction over the Property.

(b) Trustor shall comply with any and all Legal Requirements regarding the presence or removal of Hazardous Substances on the Property, shall pay immediately, when due, the costs of removal from the Property of any such Hazardous Substances which are required to be removed pursuant to any Legal Requirement and shall keep the Property free of any lien which may arise pursuant to such Legal Requirements. The Trustor shall not, and shall not permit any person or entity to release, discharge, or dispose of any Hazardous Substances on the Property except in compliance with all Legal Requirements and, if the same shall exist, Trustor shall

immediately remove or cause to be removed from the Property such Hazardous Substances to the extent required to be removed pursuant to any Legal Requirement.

35. *Taxes.*

(a) Trustor agrees to pay, at least ten (10) days before delinquency: (i) all taxes and assessments, of any kind or nature, which are assessed against or affect the Property or any part thereof ("Impositions"); and (ii) all obligations which are represented, evidenced or secured by liens, encumbrances, charges and/or claims on said Property, or any part thereof, which appear to have priority over the lien of this Deed of Trust ("Senior Encumbrances").

(b) In the event that Trustor fails to make any payment required by Section 4(a), within the time periods required therein, Beneficiary may, without obligation, pay the same without demand or notice at the cost or expense of Trustor (in which case Beneficiary shall be the sole judge of the legality, validity and/or priority of the obligation so paid and of the amount required to be paid).

36. *Insurance.* Trustor agrees to keep all buildings and/or improvements, which are ever located on the Property, insured by policies of insurance providing coverage against loss by fire, earthquake, flood and/or hazard, which policy(ies) shall have extended coverage endorsements and shall be issued by company(ies) authorized to issue such policy(ies) in the State of Nevada. Said insurance shall provide for at least thirty (30) days advance written notice to Beneficiary prior to cancellation and provide coverage in such sum or sums as shall equal the total indebtedness and other obligations secured by this Deed of Trust and all obligations having priority over this Deed of Trust, or the full replacement value of such buildings and/or improvements, whichever is less (such policies shall not contain a co-insurance provision whereby Trustor becomes a co-insurer in the event of loss). Said insurance shall be payable to Beneficiary to the amount of the unsatisfied obligations to Beneficiary hereby secured. The policy or policies of said insurance shall be delivered to Beneficiary, as further security, and in the event of a default hereof, Beneficiary may procure such insurance, and expend such sum or sums therefor as Beneficiary shall deem necessary. So long as no Event of Default (as defined in Section 14) has occurred and is continuing, Trustor may settle, compromise or adjust any insurance or other claim with the prior written consent of Beneficiary. Upon the occurrence and during the continuance of an Event of Default, Beneficiary shall have the sole right to settle, compromise or adjust any insurance or other claim in such manner as Beneficiary may determine, and for this purpose, Beneficiary may, in its own name or in the name of Trustor, take such action as Beneficiary deems appropriate. Any amount collected by Trustor with respect to an insurance or other claim shall be delivered immediately to Beneficiary. The amount collected by Trustor or Beneficiary under any fire or other insurance policy may be applied by Beneficiary upon the indebtedness secured hereby and in such order as Beneficiary may determine, or at the 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.

37. *Impound Accounts.* If required by Beneficiary, Trustor shall pay to Beneficiary, on the day of each calendar month when installment payments are due under the Note secured hereby, an amount, to be estimated by Beneficiary, which will be sufficient to provide for payment, at least thirty (30) days prior to the applicable due date(s), of one or more (as required by Beneficiary) of the following: (i) the Impositions which are required to be paid under Section 4; (ii) the obligations which are represented, evidenced or secured by Senior Encumbrances and which are required to be paid under Section 4; and/or (iii) the premiums necessary to maintain the insurance coverage required by Section 5. Amounts held by Beneficiary hereunder shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Beneficiary, and no interest shall be payable in respect thereof. Upon demand of the Beneficiary, Trustor agrees to deliver to Beneficiary such additional monies as are necessary to make up any deficiencies in the amounts necessary to enable Beneficiary to pay such Impositions, obligations which are represented, evidenced or secured by Senior Encumbrances and/or insurance premiums. Upon occurrence of an Event of Default as set forth by Section 14, the Beneficiary may apply to reduction of the sums secured hereby, in such manner as Beneficiary shall determine, any amount remaining to the Beneficiary's credit hereunder.

38. *Assignment of Leases and Rents, Lease Covenants, and Condemnation Proceeds.*

(a) In accordance with Chapter 107A of the Nevada Revised Statutes, this Deed of Trust shall be deemed a security instrument creating an assignment of leases and rents arising from the Property, and accordingly, this Deed of Trust shall create a presently effective security interest in all accrued and unaccrued rents arising from the Property, which shall be fully perfected upon the recordation of this Deed of Trust in the County of Douglas, Nevada Recorder's Office, and such security interest in leases and rents is separate and distinct from any other security interest held by Beneficiary. Beneficiary shall have all of the rights and remedies afforded to an assignee under Chapter 107A of the Nevada Revised Statutes. Rights assigned to Beneficiary under this Section 7(a) may be enforced by Beneficiary without regard to the adequacy of the security hereof or the solvency of Trustor by any one or more of the following methods: (i) appointment of a receiver; (ii) Beneficiary's taking possession of the Property; (iii) Beneficiary's collecting any monies payable under leases or rental agreements directly from the parties obligated for payment; (iv) injunctions; and (v) any other method permitted by equity and/or law. The collection of such rents, issues, profits and income, and the application thereof as aforesaid, shall not cure or constitute a waiver of any default or notice of default hereunder or invalidate any act done pursuant to such notice. Trustor and Beneficiary intend that this assignment shall be a present, absolute and unconditional assignment, not an assignment for additional security only, and shall, immediately upon the execution hereof, subject to the license granted herein, give Beneficiary, and its agent, the right to collect the rents, issues, profits and income and to apply them as aforesaid. In accordance with Nevada Revised Statute 107A.300, nothing contained in this Section 7(a), nor the enforcement of the foregoing assignment of rents shall be deemed to: (i) make Beneficiary a "mortgagee in possession" of the Property; (ii) make Beneficiary an agent of Trustor; (iii) constitute an election of remedies that precludes a later action to enforce any other right or remedy afforded to Beneficiary; (iv) make any right or remedy of Beneficiary unenforceable; (v) limit any right available to Beneficiary; or (vi) violate the provisions of Nevada Revised Statute 40.430. Without limiting the preceding sentence, nothing contained herein, nor any collection of rents,

issues, profits and income by Beneficiary, or its agent, or a receiver shall be construed to be an assumption of liability by Beneficiary under, or a subordination of, the lien of this Deed of Trust, to any tenancy, lease or option.

(b) Trustor may not enter into any leases or occupancy arrangements without the prior written consent of Beneficiary. Any change, amendment, assignment, addendum, or other modification to the Lease or any other approved lease shall require the prior written consent of Landlord.

(c) 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 herein provided for disposition of proceeds of insurance.

39. Other Encumbrances. Trustor shall fully perform and satisfy any and all other obligations or encumbrances affecting the Property, whether monetary or nonmonetary, including, without limitation, any lease affecting the Property and any declaration, covenant, condition, or restriction affecting the Property. Trustor may not enter into any other documents or instruments affecting or encumbering the Property nor may Trustor amend or otherwise modify any existing document or instrument, including, without limitation, any lease or declaration (including the Declaration), without the prior written consent of Beneficiary, in Beneficiary's sole and absolute discretion, and any attempt to do so without the required consent shall be null and void and of no force or effect whatsoever. Without limiting any of the foregoing, any consent required or requested of Trustor under the Declaration or any lease affecting the Property shall also require the written consent of Beneficiary, and failure to obtain Beneficiary's consent shall nullify Trustor's consent. Trustor may not collect rent under any lease affecting the Property more than one month in advance.

40. Performance by Trustee or Beneficiary.

(a) Should the Trustor fail to make any payment or perform any act which Trustor is obligated to make or perform hereby, then the Trustee, or Beneficiary, at the election of either of them, but without any obligation to do so, without demand or notice to the Trustor, or any successor in interest of the Trustor and without releasing Trustor from any obligation hereunder, may make such payment or perform such act and incur any liability, or expend whatever amounts, in its absolute discretion, it may deem necessary therefor. All sums incurred or expended by the Trustee or Beneficiary, under the terms hereof, shall become immediately due and payable by the Trustor to the Trustee or Beneficiary when so incurred or expended, and shall bear interest until paid at an annual percentage rate equal to the Default Rate which is set forth in the Note. In no event shall payment by Trustee or Beneficiary be construed as a waiver of the default occasioned by Trustor's failure to make such payment or payments.

(b) If, during the existence of the trust created hereby, there is commenced or pending any suit or action affecting the Property, or any part thereof, or the title thereto, or if any adverse claim for or against the Property, or any part thereof, is made or asserted, the Trustee or Beneficiary may appear or intervene in the suit or action and retain counsel therein and defend

same, or otherwise take such action therein as they may be advised, and may settle or compromise same or the adverse claim; and in the behalf and for any of the purposes may pay and expend such sums of money as the Trustee or Beneficiary may deem to be necessary. All such sums incurred or expended by Trustee or Beneficiary under the provisions of this paragraph shall become immediately due and payable by the Trustor to the Trustee or Beneficiary when so incurred or expended and shall bear interest until paid at an annual percentage rate equal to the Default Rate.

(c) Trustor agrees to pay and discharge all costs, fees and expenses of incurred in connection with any default by Trustor or the preservation of the trust created hereby, including without limitation: (i) reconveyance and foreclosure fees of Trustee; (ii) costs and expenses of Beneficiary or Trustee or any receiver appointed under this Deed of Trust in connection with the operation, maintenance, management, protection, preservation, collection, sale or other liquidation of the trust created hereby or foreclosure of this Deed of Trust; (iii) advances made by Beneficiary to complete or partially construct all or any part of any construction which may have commenced on the Property or otherwise to protect the security of this Deed of Trust; (iv) costs of evidence of title; and (v) the reasonable fees and disbursements of Trustee's and Beneficiary's legal counsel and other out-of-pocket expenses; together with interest on all such amounts until paid at the Default Rate.

41. *Modifications.* At any time, and from time to time, without liability therefor and without notice to Trustor, upon written request of Beneficiary and presentation of this Deed of Trust and the Note 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 the Property, Trustee may (a) reconvey any part of the Property; (b) consent in writing to the making of any map or plat thereof; (c) join in granting any easement thereon, or (d) join in any extension agreement or subordination agreement in connection herewith. The Beneficiary may without notice to or consent of Trustor extend the time of payment of any indebtedness secured hereby to any successor in interest of the Trustor without discharging the Trustor from liability thereon.

42. *Reconveyance.* Upon receipt of written request from Beneficiary reciting that all sums secured hereby have been paid and upon surrender of this Deed of Trust and the Note secured hereby to Trustee for cancellation and retention, or such other disposition as Trustee, in its sole discretion, may choose, and upon payment of its fees, the Trustee shall reconvey, without warranty all portions of the Property which are then encumbered hereby. The recitals in such reconveyance 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.*"

43. *Substitution of Trustee.* The Beneficiary or its assigns may, from time to time, appoint another trustee, or trustees, to execute the trust created by this Deed of Trust or other conveyance in trust. Upon the recording in the appropriate county of such certified copy or executed and acknowledged instrument, the new trustee or trustees shall be vested with all the title, interest, powers, duties and trusts in the Property which are vested in or conferred upon 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 all its acts thereunder shall be deemed to be the acts of all trustees, and the recital in any conveyance executed by such sole trustee of such request shall be conclusive evidence thereof, and of the authority of such sole trustee to act in accordance therewith.

44. *Due on Sale, etc.*

(a) If a Transfer of Interest (as defined by Section 13(b)) shall have occurred with respect to the Property, without the prior written consent of Beneficiary having first been obtained, then, at the option of Beneficiary, any indebtedness or obligation which is secured hereby shall immediately become due and payable, without demand or notice, irrespective of the maturity dates which may be expressed in any Loan Documents evidencing such indebtedness or obligation.

(b) A "Transfer of Interest" shall be deemed to have occurred with respect to the Property: (i) if Trustor, or any of them shall sell, transfer, convey or in any manner alienate any interest in the Property or shall enter into an agreement to do so or shall be divested of title to the Property in any manner or way, whether voluntarily or involuntarily; and/or (ii) if any membership interest or stock in Trustor is sold, transferred, conveyed, hypothecated or encumbered.

45. *Default.* The occurrence of any of the following shall constitute an "Event of Default" hereunder: (i) failure by Borrower or Trustor to pay when due any amount which Borrower or Trustor is required to pay under any Loan Documents secured by this Deed of Trust; (ii) failure by Trustor to satisfy or perform any obligation secured by this Deed of Trust, other than the payment of money, or failure by Borrower or Trustor to comply with, satisfy or perform any term, provision, covenant or condition, other than the payment of money as contained in the Loan Documents which default continues for a period of more than fifteen (15) days after written notice from Beneficiary or such lesser period, if any, as may be provided for in the relevant Loan Document; (iii) an "Event of Default" under the Note; (iv) any default or breach by either the landlord or the tenant under the Lease or any event, which if uncured after notice or the lapse of time or both, could constitute a breach of default thereunder; or (v) the commencement by Trustor of a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to it or its respective debts under the United States Bankruptcy Code or any bankruptcy; insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official, for any substantial part of its property or the consent by Trustor to any such relief or to the appointment or taking possession by any such official in any involuntary case or other proceeding commenced against Trustor or the admission by Trustor, in writing, of its inability to pay its debts as they come due.

46. *Power of Sale.* Upon the occurrence of an Event of Default, and recording of the notice of default and election to sell, as required by Chapter 107 of the Nevada Revised Statutes, then the Trustee, its successors or assigns, on demand by Beneficiary may sell the Property, in whole or in part, in order to accomplish the objectives of these trusts, in the manner following, namely:

(a) The Trustee shall first give notice of the time and place of such sale, in the manner provided by the laws of the State for the sale of real property under execution, and may from time to time postpone such sale by such advertisement as it may deem reasonable, or without further advertisement, by proclamation made to the persons assembled at the time and place

previously appointed and advertised for such sale, and on the day of sale so advertised, or to which such sale may have been postponed, the Trustee may sell the property as so advertised, at public auction, at the time and place specified in the notice, at such place designated by Nevada law, but if no such place is designated, at the principal office of the Trustee, to the highest cash bidder. The beneficiary, obligee, creditor, or the holder or holders of the Loan Documents secured hereby may bid and purchase at such sale. The Beneficiary may, after recording the notice of breach and election, waive or withdraw the same or any proceedings thereunder, and shall thereupon be restored to its former position and have and enjoy the same rights as though such notice had not been recorded.

(b) The Trustee, upon such sale, shall make (without warranty), execute and, after due payment made, deliver to purchaser or purchasers, its or their heirs or assigns, a deed or deeds of the Property so sold which shall convey to the purchaser all the title of the Trustor in the Property and shall apply the proceeds of the sale thereof in payment, firstly, of the expenses of such sale, together with the reasonable expenses of this trust, including counsel fees, in a reasonable amount, which shall become due upon any default made by Trustor in any of the payments aforesaid; and also such sums, if any, as Trustee of Beneficiary shall have paid, for procuring a search of the title to the Property, of any part thereof, subsequent to the execution of the Deed of Trust; and in payment, secondly, of the obligations or debts secured hereby, and interest thereon then remaining unpaid, and the amount of all other moneys with interest thereon herein agreed or provided to be paid by Trustor in such order as Beneficiary may elect in its sole discretion; and the balance or surplus of such proceeds of sale it shall pay to Trustor, its successor or assigns.

(c) In the event of a sale of the Property conveyed or transferred in trust, or any part thereof, and the execution of a deed or deeds therefor under such trust, the recital therein of default, and of recording the notice of breach and election to sell, and of the elapsing of the 3-month period, and of the giving of notice of sale, and of a demand by Beneficiary that such sale should be made, shall be conclusive proof of such default, recording, election, elapsing of time, and of the due giving of such notice, and that the sale was regularly and validly made on due and proper demand by Beneficiary; and any such deed or deeds with such recitals therein shall be effectual and conclusive against Trustor, its successors and assigns, and all other persons; and the receipt for the purchase money recited or contained in any deed executed to the purchaser as aforesaid shall be sufficient discharge to such purchaser from all obligation to see to the proper application of the purchase money, according to the trusts aforesaid. With respect to any of the Property which is personal property, Beneficiary shall have, in the jurisdiction in which enforcement of this Deed of Trust is sought, or in any other applicable jurisdiction, all remedies of a secured party under the Uniform Commercial Code and may require Trustor, on demand, to assemble all such personal property and make the same available to Beneficiary at such places as Beneficiary may select that are reasonably convenient for both parties, whether at the premises of Trustor or elsewhere.

47. Remedies Cumulative and Limitation of Waiver. The rights and remedies of Beneficiary upon the occurrence of one or more Events of Default (whether such rights and remedies are conferred by statute, by rule of law, by this Deed of Trust, or otherwise) may be exercised by Beneficiary, in the sole discretion of Beneficiary, either alternatively, concurrently, or

consecutively in any order. The exercise by Beneficiary, or Trustee at the express direction of Beneficiary, of any one or more of such rights and remedies shall not be construed to be an election of remedies nor a waiver of any other rights and remedies Beneficiary might have unless, and limited to the extent that, Beneficiary shall so elect or so waive by an instrument in writing delivered to Trustee. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment, when due, of all other sums so secured or to declare default, as herein provided, for failure to so pay.

48. *Law.* Trustor acknowledges and agrees that this Deed of Trust and the other Loan Documents shall be exclusively governed by and construed in accordance with the laws of the State of Nevada.

49. *Miscellaneous.*

(a) 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. It is expressly agreed that the trust created hereby is irrevocable by Trustor.

(b) In the event that Trustor consists of more than one person or entity, the obligations of Trustor hereunder shall be joint and several.

(c) 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. The term "Beneficiary" includes any future holder of the note secured hereby. The term "Trustor" includes the term "Grantor."

(d) Trustor hereby appoints Beneficiary the attorney-in-fact of Trustor to prepare, sign, file and record one or more financing statements; any documents of title or registration, or like papers, and to take any other action deemed necessary, useful or desirable by Beneficiary to perfect and preserve Beneficiary's security interest against the rights or interests of third persons.

(e) If any provision of this Deed of Trust or its application to any person or circumstances is held invalid, the other provisions hereof or the application of the provision to other persons or circumstances shall not be affected.

(f) The captions or headings at the beginning of each section hereof are for convenience of the parties and are not a part of this Deed of Trust.

(g) Time is of the essence of each provision of this Deed of Trust.

50. *Notice.* All notices, consents, approvals or other instruments required or permitted to be given by either party pursuant to this Deed of Trust shall be in writing and given by (i) hand

delivery, (ii) facsimile or email, (iii) express overnight delivery service or (iv) certified or registered mail, return receipt requested, and shall be deemed to have been delivered upon (a) receipt, if hand delivered, (b) transmission, if delivered by facsimile or email (and if a copy of such notice is also mailed by certified or registered mail, return receipt requested, and deposited with the U.S. Postal Service no later than the first business day after the notice was transmitted by facsimile or email), (c) the next business day following the date of deposit with the delivery service, if delivered by express overnight delivery service, or (d) the third business day following the day of deposit of such notice with the United States Postal Service, if sent by certified or registered mail, return receipt requested. Notices shall be provided to the parties and addresses (or facsimile numbers, as applicable) specified below.

If to Trustor: DERICK PETERSON
RGR PROPERTIES, INC.
1434 Industrial Way
Gardnerville, NV 89410

If to Beneficiary: RYAN MCTEE
1758 Solitude Lane
Gardnerville, NV 89410

If to Trustee:
First American Title Insurance Company
Attn. Melissa Gyll
1663 Hwy 395 Ste 101
Minden, NV 89423

51. *No Third Party Beneficiaries.* This Deed of Trust is made and entered into for the sole protection and benefit of the parties hereto, and no other person or entity shall be a direct or indirect beneficiary of, or shall have any direct or indirect cause of action or claim in connection with this Deed of Trust or any of the other Loan Documents.

52. *No Offset.* Under no circumstances shall Trustor fail or delay to perform (or resist the enforcement of) any of its obligations in connection with any of the Loan Documents because of any alleged offsetting claim or cause of action against Beneficiary (or any indebtedness or obligation of Beneficiary) which has not been confirmed in a final judgment of a court of competent jurisdiction (sustained on appeal, if any) against Beneficiary, and Trustor hereby waives any such rights of setoff (or offset) which it might otherwise have with respect to any such claims or causes of action against Beneficiary (or any such obligations or indebtedness of Beneficiary), unless and until such right of setoff is confirmed and liquidated by such a final judgment. Trustor further waives any right that it might otherwise have to require a marshaling of any security of Beneficiary or to direct the order in which Beneficiary pursues its rights or remedies with respect to any of its security.

53. *Continuation of Payments.* Notwithstanding any taking by eminent domain or other governmental action causing injury to, or decrease in value of, the Property and creating a right to compensation therefor, Borrower shall continue to make the required payments of principal and

interest on the Note. If, prior to the receipt by Beneficiary of such award or compensation, the Property shall have been sold in any action or proceeding to foreclose this Deed of Trust, Beneficiary shall have the right to receive said award or compensation to the extent of any deficiency found to be due upon such sale, with interest thereon, whether or not a deficiency judgment of this Deed of Trust shall have been sought or recovered, together with reasonable counsel fees and the costs and disbursements incurred by Beneficiary in connection with the collection of such award or compensation.

54. *Security Agreement and Fixture Filing.* Trustor hereby grants to Beneficiary a security interest in any of the Property which is personal property in which a security interest can be granted under the Uniform Commercial Code, to secure the obligations described in Paragraphs A through E above. This Deed of Trust covers certain goods which are or are to become fixtures related to the Property, and constitutes a "fixture filing" with respect thereto, executed by Trustor as "debtor" and Beneficiary as "secured party."

55. *Rights of Beneficiary.* Trustor authorizes Beneficiary to perform any or all of the following acts at any time in its sole and absolute discretion, all without notice to Trustor and without affecting Beneficiary's rights or Trustor's obligations under this Deed of Trust:

(a) Beneficiary may alter any terms of the Borrower Obligations or any part of them, including renewing, compromising, extending or accelerating, or otherwise changing the time for payment of, or increasing or decreasing the rate of interest on, the Borrower Obligations or any part of them;

(b) Beneficiary may take and hold security for the Borrower Obligations, accept additional or substituted security for that obligation, and subordinate, exchange, enforce, waive, release, compromise, fail to perfect, and sell or otherwise dispose of any such security;

(c) Beneficiary may direct the order and manner of any sale of all or any part of any security now or later to be held for the Borrower Obligations, and Beneficiary may also bid at any such sale;

(d) Beneficiary may apply any payments or recoveries from Borrower, Trustor, or any other source, and any proceeds of any security, to the Borrower Obligations in the manner, order, and priority Beneficiary may elect, in its sole and absolute discretion, whether that obligation is secured by this Deed of Trust or not at the time of the application;

(e) Beneficiary may release Borrower of its liability for the Borrower Obligations or any part of them;

(f) Beneficiary may substitute, add, or release any one or more guarantors or endorsers; and

(g) In addition to the Borrower Obligations, Beneficiary may extend other credit to Borrower, and may take and hold security for the credit so extended, all without affecting Beneficiary's rights or the effectiveness or enforcement of this Deed of Trust.

As used in this Section 24, "Borrower Obligations" means and includes any secured obligation which is the obligation of Borrower but not of Trustor, including but not limited to payment of the Note.

56. *Deed of Trust to be Absolute.* Trustor expressly agrees that until each and every term, covenant, and condition of this Deed of Trust is fully performed, Trustor will not be released by or because of:

(a) any act or event that might otherwise discharge, reduce, limit, or modify Trustor's obligations under this Deed of Trust;

(b) any waiver, extension, modification, forbearance, delay, or other act or omission of Beneficiary, or its failure to proceed promptly or otherwise as against Borrower, Trustor, or any security;

(c) any action, omission, or circumstance that might increase the likelihood Trustor may be called upon to perform under this Deed of Trust or that might affect the rights or remedies of Trustor against Borrower; or

(d) any dealings occurring at any time between Borrower and Beneficiary, whether relating to the Borrower Obligations or otherwise.

Trustor hereby expressly waives and surrenders any defense to its liability under this Deed of Trust based upon any of the foregoing acts, omissions, agreements, waivers, and/or matters. It is the express purpose and intent of this Deed of Trust that the obligations of Trustor under it be absolute and unconditional under any and all circumstances.

57. *Trustor's Waivers.* Trustor waives:

(a) all statutes of limitations as a defense to any action or proceeding brought against Trustor by Beneficiary, to the fullest extent permitted by law;

(b) any right it may have to require Beneficiary to proceed against Borrower, proceed against or exhaust any security held from Borrower, or pursue any other remedy in Beneficiary's power to pursue;

(c) any defense based on any claim that Trustor's obligations exceed or are more burdensome than those of Borrower;

(d) any defense based on: (i) any legal disability of Borrower, (ii) any release, discharge, modification, impairment, or limitation of the liability of Borrower to Beneficiary from any cause, whether consented to by Beneficiary or arising by operation of law or from any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships ("Insolvency Proceeding") or (iii) any rejection or disaffirmance of the Borrower Obligations, or any part of them, or any security held for them, in any Insolvency Proceeding;

(e) any defense based on any action taken or omitted by Beneficiary in any Insolvency Proceeding involving Borrower, including any election to have Beneficiary's claim allowed as being secured, partially secured, or unsecured, any extension of credit by Beneficiary to Borrower in any Insolvency Proceeding, or the taking and holding by Beneficiary of any security for any such extension of credit;

(f) all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Deed of Trust and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind; and

(g) any defense based on or arising out of any defense that Borrower may have to the payment or performance of the Borrower Obligations or any part of them.

58. Waivers of Subrogation and Other Rights.

(a) Upon a default by Borrower, Beneficiary, in its sole and absolute discretion, without prior notice to or consent of Trustor, may elect to: (i) foreclose either judicially or nonjudicially against any real or personal property security it may hold for the Borrower Obligations, (ii) accept a transfer of any such security in lieu of foreclosure, (iii) compromise or adjust the Borrower Obligations or any part of them or make any other accommodation with Borrower or Trustor, or (iv) exercise any other remedy against Borrower or any security. No such action by Beneficiary will release or limit the liability of Trustor, who will remain liable under this Deed of Trust after the action, even if the effect of the action is to deprive Trustor of any subrogation rights, rights of indemnity, or other rights to collect reimbursement from Borrower for any sums paid to Beneficiary, whether contractual or arising by operation of law or otherwise. Trustor expressly agrees that under no circumstances will it be deemed to have any right, title, interest, or claim in or to any real or personal property to be held by Beneficiary or any third party after any foreclosure or transfer in lieu of foreclosure of any security for the Borrower Obligations.

(b) Regardless of whether Trustor may have made any payments to Beneficiary, Trustor hereby waives: (i) all rights of subrogation, all rights of indemnity, and any other rights to collect reimbursement from Borrower for any sums paid to Beneficiary, whether contractual or arising by operation of law (including the United States Bankruptcy Code or any successor or similar statute) or otherwise, (ii) all rights to enforce any remedy beneficiary may have against Borrower, and (iii) all rights to participate in any security now or later to be held by Beneficiary for the Borrower Obligations.

59. Revival and Reinstatement. If Beneficiary is required to pay, return, or restore to Borrower, or any other person, any amounts previously paid on the Borrower Obligations because of any Insolvency Proceeding of Borrower or any other reason, the obligations of Trustor will be reinstated and revived, and the rights of Beneficiary will continue with regard to such amounts, all as though they had never been paid.

60. *Information Regarding Borrower.* Before signing this Deed of Trust, Trustor investigated the financial condition and business operations of Borrower and any other matters Trustor deemed appropriate to assure itself of Borrower's ability to discharge its obligations in connection with the Borrower Obligations. Trustor assumes full responsibility for that due diligence, as well as for keeping informed of all matters that may affect Borrower's ability to pay and perform its obligations to Beneficiary. Beneficiary has no duty to disclose to Trustor any information that Beneficiary may have or receive about Borrower's financial condition or business operations, or any other circumstances bearing on Borrower's ability to perform.

61. *Subrogation.* Beneficiary shall be subrogated to any and all encumbrances discharged, in whole or in part, from the proceeds of the Note or any other indebtedness secured hereby.

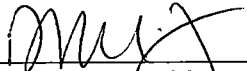
62. *Miscellaneous.* Trustor acknowledges that Trustor has had adequate opportunity to carefully read this Deed of Trust and to consult with an attorney of Trustor's choice prior to signing it. No consent, approval or authorization of or notice to any person or entity is required in connection with Trustor's execution of and obligations under this Deed of Trust. No course of prior dealing, usage of trade, parol or extrinsic evidence of any nature may be used to supplement, modify or vary any of the terms here.

[SIGNATURE AND ACKNOWLEDGMENT ON FOLLOWING PAGE]

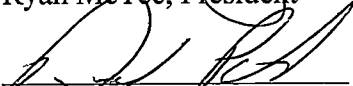
IN WITNESS WHEREOF, Trustor has executed this instrument on the day and year first above written.

TRUSTOR

RGR PROPERTIES




Ryan McTee, President

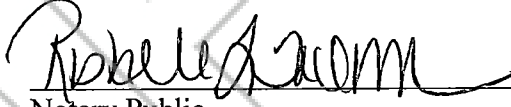


Derick Peterson, President after this transaction
And individually.

STATE OF NEVADA)
) ss:
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on December 31, 2014 by Ryan McTee, who represented that he is President of RGR Properties, Inc. and with authority to act on its behalf.


(Seal)  RISHELLE L. THOMPSON
Notary Public - State of Nevada
Appointment Recorded in Douglas County
No: 99-54931-5 - Expires April 10, 2015



Notary Public

STATE OF NEVADA)
) ss:
COUNTY OF DOUGLAS)

This instrument was acknowledged before me on December 31, 2014 by Derick Peterson, individually, and who represented that he is President of RGR Properties, Inc. and with authority to act on its behalf.

(Seal)  RISHELLE L. THOMPSON
Notary Public - State of Nevada
Appointment Recorded in Douglas County
No: 99-54931-5 - Expires April 10, 2015



Notary Public

 RISHELLE L. THOMPSON
Notary Public - State of Nevada
Appointment Recorded in Douglas County
No: 99-54931-5 - Expires April 10, 2015

4. EXHIBIT "A"

LEGAL DESCRIPTION

All that certain real property situate in the County of Douglas, State of Nevada, described as follows:

A parcel of land being a portion of Section 3, Township 12 North, Range 20 East, M.D.B. & M., and of Parcel D, as shown on that certain map entitled Carson Valley Industrial Park, recorded as Document No. 47572 on March 30, 1970, Official Records of Douglas County, Nevada and being further Described as follows:

COMMENCING at the most Easterly corner of said Parcel D on the Boundary of said Carson Valley Industrial Park, said point being the true point of Beginning: thence along said boundary South 64°03' West 427.07 feet; thence leaving said boundary North 34°22'00" West 356.89 feet to the Southerly boundary of Industrial Way; thence along said boundary North 55°36'00" East 131.79 feet to the Beginning of a tangent curve to the left having a central angle of 74°20'00" and a radius of 130.00 feet; thence along said curve an arc distance of 168.66 feet; thence leaving said Industrial Way boundary on a radial bearing of North 71°18'00" East 298.23 feet to the Easterly boundary of said Industrial Park; thence along said boundary South 18°42'00" East 450.49 feet to the True Point of Beginning.

EXCEPTING THEREFROM: A portion of Section 3, Township 12 North, Range 20 East, M.D.B. & M., and of Parcel D, as shown on that certain map entitled Carson Valley Industrial Park, recorded as Document No. 47572, on March 30, 1970, Official Records of Douglas County, Nevada, and being further described as follows:

COMMENCING at the most Easterly corner of said Parcel D, on the boundary of said Carson Valley Industrial Park; thence along the Southerly boundary South 64°03' West 427.07 feet to the most Southerly corner of the parcel of land described in that certain Agreement recorded January 4, 1972, in Book 95, of Official Records, at page 285, Douglas County, Nevada records, the True Point of Beginning of the herein described parcel; thence leaving said boundary North 34°22'00" West 356.89 feet to the Southerly boundary of Industrial Way; thence along said boundary, North 55°38'00" East 120.00 feet to a point; thence leaving the boundary of said Industrial Way South 34°22'00" East, a distance of 374.65 feet more or less to a point on the Southerly boundary of said subdivision; thence South 64°03'00" West along said Southerly boundary a distance of 121.30 feet to the TRUE POINT OF BEGINNING.

FURTHER EXCEPTING THEREFROM all that portion of said land conveyed to

Alco-Power of Nevada, a Nevada corporation in Deed recorded September 28, 1983, in Book 983, at page 2318, as Document No. 87694, Official Records of Douglas County, Nevada.

Per NRS 111.312, the above legal description previously appeared in Grant, Bargain and Sale Deed No. 0245268 recorded on February 22, 1991, specifically Exhibit C, formerly APN 25-151-33.

Per NRS 111.312, the above legal description previously appeared in Grant, Bargain and Sale Deed No. 0245268 recorded on February 22, 1991.

COPY