WHEN RECORDED, MAIL TO: 2008 004610

Factors Southwest, L.L.C. 6900 E. Camelback Road Suite 601 Scottsdale, Arizona 85251

DEED OF TRUST

TRUSTOR:

GLENN B. KARLBERG AND CINDY KARLBERG,

husband and wife

TRUSTOR'S MAILING

15029 N. Thompson Peak Parkway, #B111-149

ADDRESS:

Scottsdale, Arizona 85260

BENEFICIARY:

FACTORS SOUTHWEST, L.L.C., an Arizona limited

liability company

BENEFICIARY'S

6900 East Camelback Road, Suite 601

ADDRESS:

Scottsdale, Arizona 85251

This Document is the property of

TRUSTEE:

the Laeric Murineston Erder!

TRUSTEE'S ADDRESS:

11333 N. Scottsdale Road

Suite 180

Scottsdale, Arizona 85254

PROPERTY in Lake County, State of Indiana, described as:

See Exhibit A attached hereto and by this reference incorporated herein

The Real Property or its address is commonly known as: 446 S. Court Street, Crown

Point, Indiana 46307

Parcel Number: 23-09-0352-0025

THIS DEED OF TRUST is made between the Trustor, Trustee and Beneficiary named above. Trustor irrevocably grants and conveys to Trustee in trust, with power of sale, the above-described real property and all buildings, improvements and fixtures located thereon or hereinafter erected thereon; SUBJECT, HOWEVER, TO covenants, conditions, restrictions, rights-of-way, and easements of record.

THIS DEED OF TRUST IS MADE FOR THE PURPOSE OF SECURING:

(A) Performance of each agreement of Trustor herein contained. (B) Payment of the indebtedness evidenced by that certain FACTORING AND SECURITY AGREEMENT dated October 1, 2007, and any amendment, extension or renewal thereof, executed by Winged Foot Woodworks, LLC, a Utah limited liability company (Seller) and Factors, Southwest, L.L.C. (FSW) attached hereto as Exhibit "B" (C) Payment of the indebtedness (if any) evidenced by that certain CONTINUING PERSONAL GUARANTY AND SUBORDINATION dated October 1, 2007, and any amendment, extension or renewal thereof, executed by Glenn Karlberg and Cynthia L Karlberg (jointly and severally as Guarantor) and Factors, Southwest, L.L.C. (FSW), attached hereto as Exhibit "C" (D) Payment of the indebtedness (if any) evidenced by that certain CONTINUING PERSONAL GUARANTY AND SUBORDINATION dated October 1, 2007, and any amendment, extension or renewal thereof, executed by Michael Wood and Spouse (jointly and severally as Guarantor) and Factors, Southwest, L.L.C. (FSW), attached hereto as Exhibit "D", (E) Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note(s) reciting that they are secured by this Deed of Trust.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

- 1. To keep said 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 performed 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; and do all other acts which from the character or use of said property may be reasonably necessary.
- 2. To provide, maintain, and deliver to Beneficiary fire insurance policies satisfactory to and 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 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 Trustee's sale 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 of Beneficiary and Trustee, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named and in any suit brought by Beneficiary to foreclose this Deed of Trust.
- 4. To pay: before delinquent, all taxes and assessments affecting said property; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof which appear to be prior or superior hereto; all costs, fees and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance and all lawful charges, costs and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured, hereby:

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, 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 encumbrance, 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 counsel's reasonable fees.



Ople ChTo pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from the date of expenditure at the highest rate as is provided for in the note secured by this Deed of Trust. Any amounts so paid by Beneficiary or Trustee shall become part of the debt secured by this Deed of Trust and a lien on said premises or shall become immediately due and payable at option of Beneficiary or Trustee.

IT IS MUTUALLY AGREED:

- 6. That any award of damages in connection with any condemnation, or any such taking, or for injury to the property by reason of public use or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor, however, the right to sue therefor and for the ownership thereof subject to this Deed of Trust), and, upon receipt of such moneys, Beneficiary may hold the same as such further security or apply or release the same in the same manner and with the same effect as above-provided for disposition of proceeds of fire or other insurance.
- 7. That time is of the essence of this Deed of Trust, and 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.
- 8. That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note(s) for endorsement, without liability therefor, without affecting the personal liability of any person for payment of the indebtedness secured hereby, without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto and without the necessity that any sum representing the value or any portion thereof of the property affected by the Trustee's action be credited on the indebtedness, the Trustee may: (a) release and reconvey all or any part of said property; (b) consent to the making and recording, or either, of any map or plat of the property or any part thereof; (c) join in granting any easement thereon; and (d) join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance or charge hereof.
- 9. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said note(s) to Trustee for cancellation, and upon payment of its fees, Trustee shall release and reconvey, without covenant or warranty, express or implied, the property then held hereunder. 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."
- That upon default by Trustor in the 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 notice thereof, setting forth the nature thereof, and of election to cause to be sold said property under this Deed of Trust. Beneficiary also shall deposit with Trustee this Deed of Trust, said note(s) and all documents evidencing expenditures secured hereby.

Trustee shall record and give notice of Trustee's sale and shall sell the property at public auction, all in the manner required by law. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale. Trustee shall deliver to such purchaser its Deed conveying the property so sold, but without any covenant or warranty, express or implied. Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to Trustor at his address hereintofore set forth.



After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees, Trustee shall apply the proceeds of sale in the manner provided by law. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder.

In lieu of sale, pursuant to the power of sale conferred hereby, this Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. Beneficiary shall also have all other rights and remedies available to it hereunder and at law or in equity. All rights and remedies shall be cumulative.

- Trustor. Beneficiary may appoint a successor Trustee in the manner prescribed by law. A successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers and duties.
- 12. The term Beneficiary shall mean the owner and holder of the note(s) 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 neuter, and the singular number includes the plural.
- 13. 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 a 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.
- That the trust relationship created by this Deed of Trust is limited solely to the creation and enforcement of a security interest in real property. All of Trustee's duties, whether fiduciary or otherwise, are strictly limited to those duties imposed by this instrument and A.R.S. § 33-801 et seq., inclusive, and no additional duties, burdens or responsibilities are or shall be placed on Trustee.
- 15. That this Deed of Trust applied to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns.

DATED this 13th day of December, 2007.

Glenn B. Karlberg

Cindy Karlberg



STATE OF ARIZONA))ss.
County of Maricopa	cknowledged before me this and day of December, 2007, by Glenn
	cknowledged before me this day of December, 2007, by Glenn ged himself to be the person who executed the above document for the
IN WITNESS WHE	REOF, I have hereunto set my hand and official seal.
	Notary Public
My Commission expires:	****
	LISA M. ORR Notary Public - Arizona
STATE OF ARIZONA	Maricopa County My Comm. Expires Sep 21, 2009
County of Maricopa This instrument was a	Document is January 8 Tecknowledged before me this 2 day of December, 2007, by Cindy
Karlberg, who acknowledge purposes therein contained.	d herself to be the person who executed the above document for the solution between the property of
IN WITNESS WHE	REOF, I have hereunto set my hand and official seal.
	Notary Public
My Commission expires:	
	LISA M. ORR Notary Public - Arizona Maricopa County My Comm. Expires Sep 21, 2009



Exhibit A

Legal Description

Part of the Northeast Quarter of the Southwest Quarter of Section 8, Township 34 North, Range 8 West of the 2nd Principal Meridian, in the City of Crown Point, Lake County, Indiana, described as follows: Commencing at a point 609.3 feet South and 192.25 feet West of the Northeast corner of said tract and running thence West 165.95 feet to the East line of Court Street; thence South 15 degrees 27 minutes West on the East line of Court Street, 85.77 feet to an iron monument designated as corner no. 18 of legal survey in Surveyor's Plat Book 4, page 105, in the Surveyor's Office of Lake County, Indiana; thence South 83 degrees 13 minutes East 171.12 feet to the old fence extending Northeasterly; thence North 10 degrees 23 minutes 30 seconds East on said fence line 104.60 feet to the point of beginning, also the easement of ingress and egress over and across the 5 foot strip immediately North and adjoining the first and hereinabove described dimensions and subject to a five foot easement of ingress and egress over and across the North 5 feet of the tract herein described, making a continuous easement of a 10 foot strip as a driveway for the benefit of and running with the hereinabove described real estate and the tract immediately North thereof, all as set forth and described in a certain Warranty Deed from Mable S. Scheddell, a Widow, to Irvin P. Linton and Gladys B. Linton, his wife, dated July 18, 1925 and recorded August 6, 1925 in Deed Record 355 page 404 in the Recorder's Office of Lake County, Indiana.



