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*First American Title*

2007 DEC 29 PM 3 18

LIV. OLY. COUNTY DEPT. 2  
FEE 32.00  
LESLIE BOWEN

**APNs:** 005-121-01; 005-121-02; 005-121-04;  
005-121-05; 005-121-06; 005-121-09;  
005-121-10; 005-121-11; 005-121-12;  
005-131-31; 005-181-01; 005-181-02;  
005-181-10; 005-181-11; 005-181-12;  
005-181-13; 005-181-14; 005-201-03;  
005-031-01; 005-131-26; 005-131-29;  
005-161-21; 005-161-25; 005-171-03;  
005-171-05; 005-171-12; 005-171-13;  
005-171-34; 005-171-40; 005-181-04;  
and 006-031-02

**Mail Tax Statements to:**

Tuffy Ranch Properties, LLC  
6295 Wingfield Springs Road  
Sparks, Nevada 89436

**When Recorded Mail to:**

Carl D. Savely  
Lionel Sawyer & Collins  
50 W. Liberty Street, Suite 1100  
Reno, Nevada 89501

**DEED OF TRUST WITH ASSIGNMENT OF RENTS**

THIS DEED OF TRUST WITH ASSIGNMENT OF RENTS ("Deed of Trust"), dated as of December 29, 2004, is made by TUFFY RANCH PROPERTIES, LLC, a Nevada limited liability company, whose address is 6295 Wingfield Springs Road, Sparks, Nevada 89436 ("Trustor"), in favor of FIRST AMERICAN TITLE INSURANCE COMPANY OF NEVADA, a Nevada corporation ("Trustee"), for the benefit of KERRY HOLT FARMS, LTD., A Utah limited partnership, whose mailing address is P.O. Box 249, Enterprise, Utah 84725 ("Beneficiary").

1.00 Grant in Trust and Security Agreement. For valuable consideration, Trustor irrevocably grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, the following property (the "Trust Estate")

(a) the land described in Exhibit A attached to this Deed of Trust and incorporated herein (the "Land");

(b) all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the "Improvements");

(c) all water rights and ditch rights appurtenant to the Land, including, without limitation, the water rights described on Exhibit B attached hereto and incorporated herein ("Water Rights");

(d) all tenements, hereditaments, appurtenances, privileges and other rights and interests now or in the future benefitting or otherwise relating to the Land or the Improvements, including easements, rights of way, development rights, mineral rights, water rights and water stock (the "Appurtenances," and together with the Land, Improvements and Water Rights, the "Property");

(e) subject to the assignment to Beneficiary set forth in Section 3.08 below, all rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Property or the ownership, use, management, operation, leasing or occupancy of the Property, including those past due and unpaid (the "Rents");

2.00 Obligations Secured. This Deed of Trust is given for the purpose of securing payment and performance of the following (the "Secured Obligations"): (a) all present and future indebtedness evidenced by the Note Secured by Deed of Trust dated of even date herewith, in the face principal amount of \$28,000,000.00 executed by Trustor in favor of Beneficiary ("Note") including principal, interest and all other amounts payable under the terms of the Note; (b) all present and future obligations of Trustor under this Deed of Trust; (c) performance of all obligations under the Note; (d) all additional present and future obligations of Trustor to Beneficiary under any other agreement or instrument (whether existing now or in the future) which states that it is, or such obligations are, secured by this Deed of Trust; in each case as such indebtedness and other obligations may from time to time be supplemented, modified, amended, renewed and extended, whether evidenced by new or additional documents or resulting in a change in the interest rate on any indebtedness or otherwise.

3.00 Trustor's Covenants. To protect the security of this Deed of Trust, Trustor agrees as follows:

3.01 Payment and Performance of Secured Obligations. Trustor shall pay and perform all Secured Obligations in accordance with the respective terms of such Secured Obligations, whether evidenced by or arising under this Deed of Trust, the Note or any other documents executed in connection therewith.

3.02 Maintenance of Trust Estate. Unless Beneficiary otherwise consents in writing, Trustor shall (a) keep the Property in good condition and repair, and promptly and in a good and workmanlike manner (and with new materials of good quality) complete any Improvements to be constructed on the Land, repair or restore any part of the Property that may be injured, damaged or destroyed, and in each case pay when due all valid claims for labor, service, equipment and material and any other costs incurred in connection with any such action, (b) not remove, demolish or materially alter any Improvements, (c) not commit or permit any waste of any part of the Property, (d) comply in all material respects with all laws and not commit or permit any material violation of any laws, which affect any part of the Trust Estate or require any alterations or improvements to be made to any part of the Property, (e) take such action from time to time as may be reasonably necessary or appropriate, or as Beneficiary may reasonably require, to protect the physical security of the Property, (f) except as otherwise permitted by this Deed of Trust, not part with possession of or abandon any part of the Trust Estate or cause or permit any interest in any part of the Trust Estate to be sold, transferred, encumbered,

released, relinquished, terminated or otherwise disposed of (whether voluntarily, by operation of law or otherwise), and (g) take all other action which may be reasonably necessary or appropriate to preserve, maintain and protect the Trust Estate, including the enforcement or performance of any rights or obligations of Trustor or any conditions with respect to any rights.

Without limitation on any obligations of Trustor under the preceding paragraph, in the event that (i) all or a substantial or material portion of the Property is injured, damaged or destroyed by fire or other casualty, or (ii) any of the Property is damaged, destroyed or lost and any Damage Proceeds (as defined in ' 3.03) are payable as a result of such occurrence or the cost of the repair, restoration or replacement is reasonably expected to exceed \$50,000, or (iii) any part (but less than all) of the Property is condemned, seized or appropriated by any Governmental Agency (or conveyed, with Beneficiary's consent, in lieu of any such action), the following additional provisions shall apply:

(A) within 30 days (or such longer period as Beneficiary may approve in writing) after the date of such injury, damage, destruction, loss or other event, Trustor shall deliver to Beneficiary, in form and substance reasonably satisfactory to Beneficiary: (1) a written plan for the repair, restoration or replacement of the Property (any such repair, restoration or replacement being referred to as a "Restoration"), including the estimated cost of the Restoration and time of completion, (2) if requested by Beneficiary, a copy of the plans and specifications for the Restoration, and (3) such other Documents and information relating to the Restoration as Beneficiary may reasonably request;

(B) if and to the extent required by Beneficiary, any contracts entered into by Trustor with architects, contractors, subcontractors or suppliers in connection with the Restoration shall be in form and substance and with a Person reasonably satisfactory to Beneficiary;

(C) the Restoration shall be conducted in accordance with the requirements of the Agreement for construction of Improvements and such other procedures and requirements as Beneficiary may reasonably specify, and shall be in substantial conformity with the applicable plans and specifications and the plan referred to in paragraph (A) above and in compliance in all material respects with all applicable laws and other requirements;

(D) if Beneficiary reasonably determines at any time that any available Damage Proceeds that Beneficiary may be required to release to Trustor for the Restoration pursuant to Section 3.03 are or may be insufficient to pay for all costs of completing the Restoration, then Trustor shall deposit with Beneficiary on demand, an amount deemed reasonably necessary by Beneficiary to cover such insufficiency (any such amount to be held and disbursed by Beneficiary in accordance with paragraph (E) below); and

(E) any Damage Proceeds that Beneficiary may be required to release to Trustor for the Restoration pursuant to Section 3.03, together with any amounts deposited by Trustor with Beneficiary pursuant to paragraph (D) above, shall be held by Beneficiary in a cash collateral account, shall be used solely to pay the cost of the Restoration and shall be disbursed on such terms, conditions and procedures as Beneficiary may reasonably require (including compliance by Trustor with the provisions of paragraphs (A) through (D) above), provided that (1) Beneficiary shall have no obligation to disburse any such amounts if an event of default has occurred and is continuing, and (2) if the amount of any such Damage Proceeds received by Beneficiary exceeds the cost of completing the Restoration, the excess may

be applied by Beneficiary to the Secured Obligations in such order and manner as Beneficiary may determine or, at the option of Beneficiary, may be released to Trustor.

Any application or release of Damage Proceeds or additional amounts deposited with Beneficiary pursuant to paragraph (D) above (whether under this Section 3.02 or Section 3.03) shall not cure or waive any event of default or notice of default or invalidate any act done pursuant to such notice.

3.03 Insurance, Condemnation and Damage Claims. Trustor shall maintain fire and other insurance on the Property to the extent reasonably required by the Beneficiary. All proceeds of any claim, demand, award, settlement or other payment arising or resulting from or otherwise relating to any such insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property (a "Damage Claim") are assigned and shall be payable and delivered to Beneficiary (any such proceeds of any Damage Claim being referred to in this Deed of Trust as "Damage Proceeds"). Trustor shall take all action reasonably necessary or required by Beneficiary in order to protect Trustor's and Beneficiary's rights and interests with respect to any Damage Claim, including the commencement of, appearance in and prosecution of any appropriate action or other proceeding, and Beneficiary may in its discretion participate in any such action or proceeding at the expense of Trustor.

So long as no event of default has occurred and is continuing, Trustor may settle, compromise or adjust any Damage Claim with the prior written consent of Beneficiary (which shall not be unreasonably withheld). Upon the occurrence and during the continuance of any event of default, Beneficiary shall have the sole right to settle, compromise or adjust any Damage 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 to realize on any such Damage Claim. In either case, all Damage Proceeds payable in connection with any such Damage Claim shall be delivered directly to Beneficiary as provided in the preceding paragraph.

Any Damage Proceeds received by Beneficiary may be applied by Beneficiary in payment of the Secured Obligations in such order and manner as Beneficiary may determine, provided that so long as no event of default has occurred and is continuing, Beneficiary shall release such Damage Proceeds to Trustor for the Restoration of the Property in the manner set forth in Section 3.02, except that Beneficiary shall not be required to release such Damage Proceeds (and may apply such Damage Proceeds to the Secured Obligations as set forth above) to the extent that such Damage Proceeds relate to any condemnation, seizure or other appropriation by any Governmental Agency of all or any portion of the Property (including Damage Proceeds payable in lieu of any such action), or if Beneficiary has reasonably determined that the security of this Deed of Trust has been impaired, or will be impaired upon release of Damage Proceeds to Trustor.

3.04 Liens and Taxes. Trustor shall pay, prior to delinquency, all taxes which are or may become a lien affecting any part of the Trust Estate (including assessments on appurtenant water stock), and Trustor shall pay and perform when due all other obligations secured by or constituting a lien affecting any part of the Trust Estate.

3.05 Actions. Trustor shall appear in and defend any claim or any action or other proceeding purporting to affect title or other interests relating to any part of the Trust Estate, the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee, and give Beneficiary prompt

written notice of any such claim, action or proceeding. Beneficiary and Trustee may, at the expense of Trustor, appear in and defend any such claim, action or proceeding and any claim, action or other proceeding asserted or brought against Beneficiary or Trustee in connection with or relating to any part of the Trust Estate or this Deed of Trust.

3.06 Action By Beneficiary or Trustee. If Trustor fails to perform any of its obligations under this Deed of Trust and either (i) such failure shall continue for more than 10 days after notice thereof is given to Trustor, or (ii) Beneficiary shall reasonably determine that immediate corrective action is necessary or appropriate to protect the rights or interests of Beneficiary or Trustee, Beneficiary or Trustee may, but without any obligation to do so and without further notice to or demand upon Trustor and without releasing Trustor from any obligations under this Deed of Trust, and at the expense of Trustor: (a) perform such obligations in such manner and to such extent and make such payments and take such other action as either may deem necessary in order to protect the security of this Deed of Trust, Beneficiary or Trustee being authorized to enter upon the Property for such purposes, (b) appear in and defend any claim or any action or other proceeding purporting to affect title or other interests relating to any part of the Trust Estate, the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee, and (c) pay, purchase, contest or compromise any lien or right of others which in the reasonable judgment of either is or appears to be or may for any reason become prior or superior to this Deed of Trust. If Beneficiary or Trustee shall elect to pay any such lien or right of others or any taxes which are or may become a lien affecting any part of the Trust Estate or make any other payments to protect the security of this Deed of Trust, Beneficiary or Trustee may do so without inquiring into the validity or enforceability of any apparent or threatened lien, right of others or taxes, and may pay any such taxes in reliance on information from the appropriate taxing authority or public office without further inquiry.

3.07 Obligations With Respect to Trust Estate. Neither Beneficiary nor Trustee shall be under any obligation to preserve, maintain or protect the Trust Estate or any of Trustor's rights or interests in the Trust Estate, or make or give any presentments, demands for performance, protests, notices of nonperformance, protest or dishonor or other notices of any kind in connection with any rights, or take any other action with respect to any other matters relating to the Trust Estate. Beneficiary and Trustee do not assume and shall have no liability for, and shall not be obligated to perform, any of Trustor's obligations with respect to any rights or any other matters relating to the Trust Estate, and nothing contained in this Deed of Trust shall release Trustor from any such obligations.

3.08 Assignment of Rents. Trustor absolutely, unconditionally and irrevocably grants, transfers and assigns to Beneficiary, during the continuance of this Deed of Trust, all of Trustor's right, title and interest in and to the Rents. Notwithstanding such assignment, so long as no event of default has occurred and is continuing, Trustor shall have the right to collect, receive, hold and dispose of the Rents as the same become due and payable, provided that unless Beneficiary otherwise consents in writing: (a) any such Rents paid more than 30 days in advance of the date when due shall be delivered to Beneficiary and held by Beneficiary in a cash collateral account, to be released and applied on the date when due (or, if an event of default has occurred and is continuing, at such other time or times and in such manner as Beneficiary may determine), and (b) if an event of default has occurred and is continuing, Trustor's right to collect and receive the Rents shall cease and Beneficiary shall have the sole right, with or without taking possession of the Real Property, to collect all Rents, including those past due and unpaid. Any such collection of Rents by Beneficiary shall not cure or waive any event of default or notice of default or invalidate any act done pursuant to such notice. Failure or discontinuance of Beneficiary at any time, or from time to time, to collect the Rents shall not in any manner affect the subsequent enforcement by



Beneficiary of the right to collect the same. Nothing contained in this Deed of Trust, nor the exercise of the right by Beneficiary to collect the Rents, shall be deemed to make Beneficiary a "mortgagee in possession" or shall be, or be construed to be, an affirmation by Beneficiary of, or an assumption of liability by Beneficiary under, or a subordination of the lien of this Deed of Trust to, any tenancy, lease or option.

3.09 Events of Default. The occurrence of any one or more of the following events shall constitute an event of default:

(a) the Trustor shall fail to pay all or any portion of the principal of the Note when due; or

(b) the Trustor shall fail to pay any installment of interest on the Note or any other amount payable by the Trustor to the Beneficiary under the Note or this Deed of Trust when due, or the Trustor shall fail to pay all accrued interest and all other amounts then payable by the Trustor to the Beneficiary under the Note on the maturity date in full; or

(c) Trustor shall fail to perform or observe any term, covenant or agreement contained herein, in the Secured Obligations or in any document executed in connection with the Note and either (i) such failure shall continue for more than 30 days after notice of such failure is given by the Beneficiary to Trustor, unless such failure is not reasonably capable of being cured within such 30 day period (but is reasonably capable of being cured within 60 days after such notice) and Trustor commences action to cure such failure within such 30 day period and diligently and continuously prosecutes such action to completion and causes such failure to be cured within 60 days after such notice; or (ii) such failure is not reasonably capable of being cured within 60 days after notice of such failure is given by the Beneficiary to Trustor; or

(d) any representation proves to have been incorrect in any material respect when made; or

(e) Trustor is subject to an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or Trustor applies for or consents to the appointment of any receiver, trustee or similar official for it or for all or any part of its property (or any such appointment is made without its consent and the appointment continues undischarged and unstayed for 60 days); or Trustor institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to it or to all or any part of its property under the laws of any jurisdiction (or any such proceeding is instituted without its consent and continues undismissed and unstayed for 60 days); or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against any of the Trust Estate or any other property of Trustor and is not released, vacated or fully bonded within 60 days after its issue or levy; or

3.10 Default. Upon the occurrence of any event of default: (a) Trustor shall be in default under this Deed of Trust, all Secured Obligations shall immediately become due and payable at the option of Beneficiary without further notice to Trustor; (b) upon demand by Beneficiary, Trustor shall pay to Beneficiary, in monthly installments, at the times and in the amounts required by Beneficiary from time to time, sums which when cumulated will be sufficient to pay one month prior to the time the same

become delinquent, all taxes which are or may become a lien affecting the Trust Estate and the premiums for any policies of insurance (all such payments to be held in a cash collateral account as additional security for the Secured Obligations); and (c) Beneficiary may, without notice to or demand upon Trustor, which are expressly waived by Trustor (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Trustor and any notices or demands specified below), and without releasing Trustor from any of its obligations, exercise any one or more of the following remedies as Beneficiary may determine:

(i) Beneficiary may, either directly or through an agent or court appointed receiver, and without regard to the adequacy of any security for the Secured Obligations:

(A) enter, take possession of, manage, operate, protect, preserve and maintain, and exercise any other rights of an owner of, the Trust Estate, and use any other properties or facilities of Trustor relating to the Trust Estate, all without payment of rent or other compensation to Trustor;

(B) enter into such contracts and take such other action as Beneficiary deems appropriate to complete all or any part of the construction on the Land, subject to such modifications and other changes in the plan of development as Beneficiary may deem appropriate;

(C) make, cancel, enforce or modify leases, obtain and evict tenants, fix or modify rents and, in its own name or in the name of Trustor, otherwise conduct any business of Trustor in relation to the Trust Estate and deal with Trustor's creditors, debtors, tenants, agents and employees and any other persons having any relationship with Trustor in relation to the Trust Estate, and amend any contracts between them, in any manner Beneficiary may determine;

(D) either with or without taking possession of the Trust Estate, notify obligors on any rights that all payments and other performance are to be made and rendered directly and exclusively to Beneficiary, and in its own name supplement, modify, amend, renew, extend, accelerate, accept partial payments or performance on, make allowances and adjustments and issue credits with respect to, give approvals, waivers and consents under, release, settle, compromise, compound, sue for, collect or otherwise liquidate, enforce or deal with any rights, including collection of amounts past due and unpaid (Trustor agreeing not to take any such action after the occurrence of an event of default without prior written authorization from Beneficiary);

(E) endorse, in the name of Trustor, all checks, drafts and other evidences of payment relating to the Trust Estate, and receive, open and dispose of all mail addressed to Trustor and notify the postal authorities to change the address for delivery of such mail to such address as Beneficiary may designate; and

(F) take such other action as Beneficiary deems appropriate to protect the security of this Deed of Trust.

(ii) Beneficiary may execute and deliver to Trustee written declaration of default and demand for sale and written notice of default and of election to cause all or any part of the Trust Estate to be sold, which notice Trustee shall cause to be filed for record; and after the lapse of such time as may then be required by law following the recordation of such notice of default, and notice of sale having been

given as then required by law, Trustee, without demand on Trustor, shall sell such property at the time and place fixed by it in such notice of sale, either as a whole or in separate parcels and in such order as Beneficiary may direct (Trustor waiving any right to direct the order of sale), at public auction to the highest bidder for cash in lawful money of the United States (or cash equivalents acceptable to Trustee to the extent permitted by applicable law), payable at the time of sale. Trustee may postpone the sale of all or any part of the Trust Estate by public announcement at such time and place of sale, and from time to time after any such postponement may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser at such sale its deed conveying the property so sold, but without any covenant or warranty, express or implied, and the recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee or Beneficiary, may purchase at such sale, and any bid by Beneficiary may be, in whole or in part, in the form of cancellation of all or any part of the Secured Obligations. Any such sale shall be free and clear of any interest of Trustor and any lease, encumbrance or other matter affecting the property so sold which is subject or subordinate to this Deed of Trust, except that any such sale shall not result in the termination of any such lease (A) if and to the extent otherwise provided in any estoppel or other agreement executed by the tenant and Beneficiary (or executed by the tenant in favor of, and accepted by, Beneficiary), or (B) if the purchaser at such sale gives written notice to the tenant, within 30 days after date of sale, that the lease will continue in effect.

(iii) Beneficiary may proceed to protect, exercise and enforce any and all other remedies provided by applicable laws.

All proceeds of collection, sale or other liquidation of the Trust Estate shall be applied first to all costs, fees, expenses and other amounts (including interest) payable by Trustor under Section 3.11 of this Deed of Trust and to all other Secured Obligations not otherwise repaid in such order and manner as Beneficiary may determine, and the remainder, if any, to the person or persons legally entitled thereto.

Without limitation on any other provision of this Deed of Trust, no Person who acquires any interest in the Trust Estate under a sale thereof pursuant to this Section 3.10 shall be deemed, as a result of such acquisition, to have assumed any of Trustor's obligations with respect to any rights or any other matters relating to the Trust Estate, except to the extent that such obligations are expressly assumed by such person in writing.

Each of the remedies provided in this Deed of Trust is cumulative and not exclusive of, and shall not prejudice, any other remedy provided in this Deed of Trust or by applicable laws. Each remedy may be exercised from time to time as often as deemed necessary by Trustee and Beneficiary, and in such order and manner as Beneficiary may determine. This Deed of Trust is independent of any other security for the Secured Obligations, and upon the occurrence of an event of default, Trustee or Beneficiary may proceed in the enforcement of this Deed of Trust independently of any other remedy that Trustee or Beneficiary may at any time hold with respect to the Trust Estate or the Secured Obligations or any other security. Trustor, for itself and for any other person claiming by or through Trustor, waives, to the fullest extent permitted by applicable laws, all rights to require a marshaling of assets by Trustee or Beneficiary or to require Trustee or Beneficiary to first resort to any particular portion of the Trust Estate or any other security (whether such portion shall have been retained or conveyed by Trustor) before resorting to any other portion, and all rights of redemption, stay and appraisal.



3.11 Costs, Fees and Expenses. Trustor shall pay, on demand, all costs, fees, expenses, advances, charges, losses and liabilities of Trustee and Beneficiary under or in connection with this Deed of Trust or the enforcement of, or the exercise of any remedy or any other action taken by Trustee or Beneficiary under, this Deed of Trust or the collection of the Secured Obligations, in each case including (a) reconveyance and foreclosure fees of Trustee, (b) 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 Estate or foreclosure of this Deed of Trust, (c) advances made by Beneficiary to complete or partially construct all or any part of the Project or any other construction on the Land or otherwise to protect the security of this Deed of Trust, (d) cost of evidence of title, and (e) the reasonable fees and disbursements of Trustee's and Beneficiary's legal counsel and other out of pocket expenses, and the reasonable charges of Beneficiary's legal counsel; together with interest on all such amounts until paid (i) at the rate of twenty percent (20%) per annum in the case of any such interest payable to Beneficiary, and (ii) at the rate provided by law in the case of any such interest payable to Trustee.

3.12 Late Payments. By accepting payment of any part of the Secured Obligations after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other Secured Obligations or to declare a default for failure to so pay.

3.13 Action by Trustee. At any time and from time to time upon written request of Beneficiary and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any Person for payment of the Secured Obligations or the security of this Deed of Trust for the full amount of the Secured Obligations on all property remaining subject to this Deed of Trust, Trustee may, without notice and without liability for such action, and notwithstanding the absence of any payment on the Secured Obligations or any other consideration: (a) reconvey all or any part of the Trust Estate, (b) consent to the making and recording, or either, of any map or plat of the Land, (c) join in granting any easement affecting the Land, or (d) join in or consent to any extension agreement or any agreement subordinating the lien of this Deed of Trust. Trustee is not obligated to notify Trustor or Beneficiary of any pending sale under any other deed of trust or of any action or other proceeding in which Trustor, Beneficiary or Trustee is a party unless brought by Trustee.

3.14 Reconveyance. Upon written request of Beneficiary and surrender of this Deed of Trust and the Note to Trustee for cancellation or endorsement, and upon payment of its fees and charges, Trustee shall reconvey, without warranty, all or any part of the property then subject to this Deed of Trust. Any reconveyance, whether full or partial, may be made in terms to "the person or persons legally entitled thereto," and the recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. Except as otherwise provided herein, Beneficiary shall not be required to cause any property to be released from this Deed of Trust until final payment and performance in full of all Secured Obligations.

3.15 Partial Release. Beneficiary shall release one percent (1%) of the Land and the Water Rights upon Trustor paying to Beneficiary the principal amount of \$340,000 for each one percent (1%) being released. The Land and Water Rights to be released shall be designated by the Beneficiary and, if necessary, Buyer shall pay the cost of subdividing the Land to accommodate any such partial release.

3.16 Trustor agrees that if, without the prior written consent of Beneficiary, all of the Property is sold, or Trustor enters into an agreement to do so, then in such event Trustor shall notify Beneficiary of the occurrence of such event, and Beneficiary, whether or not such notice is given or received, shall have the right to declare the then outstanding principal balance under the Note immediately due and payable, together with all accrued and unpaid interest and other amounts due hereunder.

3.17 Substitution of Trustee. Beneficiary may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named in or acting under this Deed of Trust, which instrument, when executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Land is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees who shall, without conveyance from the predecessor Trustee, succeed to all of its title, estate, rights, powers and duties. Such instrument must contain the name of the original Trustor, Trustee and Beneficiary, the book and page where this Deed of Trust is recorded (or the date of recording and instrument number) and the name and address of the new Trustee.

3.18 Attorney in Fact. Trustor appoints Beneficiary as Trustor's attorney in fact, with full authority in the place of Trustor and in the name of Trustor or Beneficiary, to take such action and execute such Documents as Beneficiary may reasonably deem necessary or advisable in connection with the exercise of any remedies or any other action taken by Beneficiary or Trustee under this Deed of Trust.

3.19 Successors and Assigns. This Deed of Trust applies to and shall be binding on and inure to the benefit of all parties to this Deed of Trust and their respective successors and assigns.

3.20 Acceptance. Notice of acceptance of this Deed of Trust by Beneficiary or Trustee is waived by Trustor. Trustee accepts this Deed of Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

3.21 Beneficiary's Statements. For any statement regarding the Secured Obligations, Beneficiary may charge the maximum amount permitted by law at the time of the request for such statement.

3.22 Legal Description. Trustor represents that a complete legal description of the Land is set forth in Exhibit A.

3.23 Fixture Filing. This Deed of Trust covers certain goods which are or are to become fixtures related to the Land and constitutes a "fixture filing" with respect to such goods executed by Trustor (as "debtor") in favor of Beneficiary (as "secured party").

3.24 Governing Law. This Deed of Trust shall be governed by, and construed and enforced in accordance with, the Laws of Nevada.

3.25 Statutory Covenants. Where not inconsistent with above, the following covenants, Nos. 1; 2 (full replacement value); 3; 4 (12% per annum); 5; 6; 7 (a reasonable percentage); 8 and 9 of Nevada Revised Statute Section 107.030 are hereby adopted and made a part of this Deed of Trust.

3.26 Request for Notice. Trustor requests that a copy of any notice of default and a copy of any notice of sale be mailed to Trustor at Trustor's address set forth above.

**TRUSTOR:**

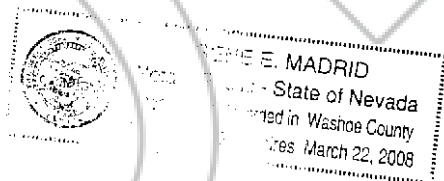
**TUFFY RANCH PROPERTIES, LLC,**  
a Nevada limited liability company

By: Harvey Whittmore  
Harvey Whittmore, Manager

STATE OF NEVADA            )  
  ) SS:  
COUNTY OF WASHOE        )

This instrument was acknowledged before me on December 22, 2004, by Harvey Whittmore as Manager of Tuffy Ranch Properties, LLC, a Nevada limited liability company.

Gene E. Madrid  
Notary Public



**Exhibit A  
to Deed of Trust**

**Legal Description of Land**

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

**Parcel 1:**

TOWNSHIP 5 NORTH, RANGE 66 EAST, M.D.M.:

Section 2: The West Half (W1/2);

Lots 5 and 6;

The South Half (S1/2) of the Northeast Quarter (NE1/4);

The Southeast Quarter (SE1/4);

Section 3: The East Half (E1/2);

The Southwest Quarter (SW1/4);

Section 4: The Southeast Quarter (SE1/4);

Sections 5 and 6: The Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4), now being known as Tract 38 in Sections 5 and 6, Township 5 North, Range 66 East, M.D.B. & M., according to the independent resurvey of said land accepted on February 19, 1959 by the Department of the Interior.

Section 10: All;

Section 11: The North Half (N1/2);

**Parcel 2:**

TOWNSHIP 6 NORTH, RANGE 66 EAST, M.D.M.:

Section 27: The West Half (W1/2);

The Southeast Quarter (SE1/4);

The Northeast Quarter (NE1/4)

Section 28: The Northeast Quarter (NE1/4) of the Southeast Quarter (SE1/4);

The East Half (E1/2) of the Northeast Quarter (NE1/4);

The South Half (S1/2) of the Southeast Quarter (SE1/4);

The West Half (W1/2) of the Northwest Quarter (NW1/4);

Section 29: The Northeast Quarter (NE1/4);

The East Half (E1/2) of the Northwest Quarter (NW1/4);

The Northwest Quarter (NW1/4) of the Northwest Quarter (NW1/4);

Section 34: All;

Section 35: The West Half (W1/2);

Section 30: The North Half (N1/2) of the Northeast Quarter (NE1/4);

Section 19: The South Half (S1/2) of the Southeast Quarter (SE1/4);

Section 20: The South Half (S1/2) of the Southwest Quarter (SW1/4);  
The Southwest Quarter (SW1/4) of the Southeast Quarter (SE1/4);

Section 21: The East Half (E1/2) of the Southeast Quarter (SE1/4);  
The East Half (E1/2) of the Northeast Quarter (NE1/4);

Section 10: The Northwest Quarter (NW1/4);

Section 9: The East Half (E1/2) of the Northeast Quarter (NE1/4);

Section 4: The Southeast Quarter (SE1/4) of the Southeast Quarter (SE1/4);

Section 3: The South Half (S1/2) of the Southwest Quarter (SW1/4);

Section 15: The South Half (S1/2) of the Southwest Quarter (SW1/4),  
EXCEPTING THEREFROM a parcel of land 100 feet by 100 feet conveyed to Lincoln County Telephone System, Inc. by deed recorded February 16, 1970 in Book "O-1" of Real Estate Deeds, page 4, Lincoln County, Nevada. Located in the Northeast corner of the Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4) of Section 15, Township 6 North, Range 66 East, M.D.B. & M. Lake Valley Lincoln County, Nevada, described as follows:

Beginning at the Northeast corner of said Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4), and running thence South along the Quarter Section line 100 feet; thence at right angles 100 feet West; thence at right angles 100 feet North; thence at right angles 100 feet East to the point of beginning.

Section 22: The West Half (W1/2);

The Southeast Quarter (SE1/4);

The Southwest Quarter (SW1/4) of the Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4) of the Northeast Quarter (NE1/4);

The West Half (W1/2) of the Northwest Quarter (NW1/4) of the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4);

EXCEPTING FROM SECTIONS 15 AND 22 THE FOLLOWING PARCEL:

Beginning at a point which bears North 53°25'40" West, for a distance of 198.5 feet from the Quarter corner of Sections 15-22, Township 6 North, Range 66 East, M.D.B. & M; thence due South for a distance of 90 feet to a point in the Northwest Quarter (NW1/4) of Section 22; thence due East for a distance of 90 feet to a point in the Northwest Quarter (NW1/4) of said Section 22; thence due North for a distance of 90 feet to a point



in the Southwest Quarter (SW1/4) of Section 15; thence due West for a distance of 90 feet to said point of beginning, as conveyed to the Lincoln County Power District No. 1 by deed recorded February 2, 1970 in Book "N-1" of Real Estate Deeds, page 498, Lincoln County, Nevada.

Section 16: The Southeast Quarter (SE1/4) of the Southeast Quarter (SE1/4);

Section 33: The North Half (N1/2) of the North Half (N1/2);

The North Half (N1/2) of the South Half (S1/2) of the North Half (N1/2);

The Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4) of the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4);

The South Half (S1/2) of the Southeast Quarter (SE1/4) of the Northeast Quarter (NE1/4);

The South Half (S1/2) of the Southwest Quarter (SW1/4) of the Northwest Quarter (NW1/4);

The Southwest Quarter (SW1/4) of the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4);

**Parcel 3:**

TOWNSHIP 4 NORTH, RANGE 68 EAST, M.D.M.:

Section 3: The Northwest Quarter (NW1/4) of the Southwest Quarter (SW1/4);

**Parcel 4:**

TOWNSHIP 5 NORTH, RANGE 68 EAST, M.D.M.:

Section 7: The Southeast Quarter (SE1/4) of the Northeast Quarter (NE1/4);

Section 9: The Northeast Quarter (NE1/4) of the Southeast Quarter (SE1/4);

Section 26: The Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4);

The Southwest Quarter (SW1/4) of the Southeast Quarter (SE1/4);

Section 27: The Southeast Quarter (SE1/4) of the Northeast Quarter (NE1/4);

Section 33: The Northwest Quarter (NW1/4) of the Northwest Quarter (NW1/4);

**Parcel 5:**

TOWNSHIP 5 NORTH, RANGE 69 EAST, M.D.M.:

Section 8: The Northwest Quarter (NW1/4) of the Northwest Quarter (NW1/4);

The Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4);

**Parcel 6:**

TOWNSHIP 6 NORTH, RANGE 68 EAST, M.D.M.:

Section 10: The Southeast Quarter (SE1/4) of the Southwest Quarter (SW1/4);

Section 12: The North Half (N1/2) of the Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4);

Section 15: The Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4);

**Parcel 7:**

TOWNSHIP 9 NORTH, RANGE 66 EAST, M.D.M.:

Section 6: The West Half (W1/2) of the Northwest Quarter (NW1/4) being lots Four (4) and Five (5) of the Northwest Quarter (NW1/4); the East Half (E1/2) of the Northwest Quarter (NW1/4); The West Half of the Northeast Quarter (NE1/4); The West Half (W1/2) of the Southwest Quarter (SW1/4) being lots Six (6) and Seven (7) of the Southwest Quarter (SW1/4); The East Half (E1/2) of the Southwest Quarter (SW1/4) and the West Half (W1/2) of the Southeast Quarter (SE1/4)

Section 7: The Northwest Quarter (NW1/4) [being lots One (1) and Two (2) of the Northwest Quarter (NW1/4) and the East Half (E1/2) of the Northwest Quarter (NW1/4)]; The West Half (W1/2) of the Northeast Quarter (NE1/4); The Southwest Quarter (SW1/4) [being lots Three (3) and Four (4) of the Southwest Quarter (SW1/4) and the East Half (E1/2) of the Southwest Quarter (SW1/4); The West Half (W1/2) of the Southeast Quarter (SE1/4);

Section 18: The Northwest Quarter (NW1/4) [being lots One (1) and Two (2) of the Northwest Quarter (NW1/4) and the East Half (E1/2) of the Northwest Quarter (NW1/4); The West Half (W1/2) of the East Half (E1/2); the Southwest Quarter (SW1/4);

Section 19: The West Half (W1/2); The West Half (W1/2) of the East Half (E1/2);

Section 30: The West Half (W1/2); The West Half (W1/2) of the East Half (E1/2);

Section 31: The Northwest Quarter (NW1/4); The West Half (W1/2) of the Northeast Quarter (NE1/4); The North Half (N1/2) of the Southwest Quarter (SW1/4); The Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4);

TOWNSHIP 9 NORTH, RANGE 65 EAST, M.D.M.:

Section 1: The North Half (N1/2) [being lots One (1) and Two (2) of the Northeast Quarter (NE1/4) and the South Half (S1/2) of the Northeast Quarter (NE1/4); The Southeast Quarter (SE1/4); Lot Three (3) [being the Northeast Quarter (NE1/4) of the Northwest Quarter (NW1/4)]; the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4); the East Half (E1/2) of the Southwest Quarter (SW1/4);

Section 12: The East Half (E1/2); the East Half (E1/2) of the West Half (W1/2);

Section 13: The Southeast Quarter (SE1/4); the Southwest Quarter (SW1/4); the Northeast Quarter (NE1/4); the East Half (E1/2) of the Northwest Quarter (NW1/4); Excepting Therefrom that portion of the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4) of said Section 13 described as follows:

Beginning at a point on the West boundary of the Southeast Quarter (SE1/4) of the Northwest Quarter (NW1/4) of said Section 13, which lies South 38°48'12" East, a distance of 2010.06 feet from the Northwest corner of said Section 13; thence East a distance of 197.13 feet to a point; thence South a distance of 295.16 feet to a point; thence West a distance of 197.23 feet to a point on the West boundary; thence North 0°01'10" East, along said West boundary a distance of 295.1 feet to the point of beginning.

Note: The above description appeared in Deed recorded May 12, 1995 in Book 113, Page 303 as file 103435.

Section 14: The Southeast Quarter (SE1/4) of the Southeast Quarter (SE1/4);

Section 23: The East Half (E1/2) of the Northeast Quarter (NE1/4); the East Half (E1/2) of the Southeast Quarter (SE1/4);

Section 24: All

Section 25: All

Section 26: The Northeast Quarter (NE1/4); the East Half (E1/2) of the Southeast Quarter (SE1/4);

Section 35: The East Half (E1/2) of the Northeast Quarter (NE1/4); the Northeast Quarter (NE1/4) of the Southeast Quarter (SE1/4);

Section 36: The North Half (N1/2); the North Half (N1/2) of the South Half (S1/2)

Together with all water rights and ditch rights appurtenant to the land described above.

**Exhibit B**  
**Schedule of Water Rights**

**Permit/Proof No.:**

21719  
 23531 (Cert. 7245)  
 21718  
 23530  
 59114 (Cert. 15797)  
 21714  
 24194  
 59118  
 63112 (Cert. 15915)  
 21715  
 21720  
 23528 (Cert. 7976)  
 23532 (Cert. 7250)  
 21717  
 23529  
 23957 (Cert. 7379)  
 23958  
 21987 (Cert. 7704)  
 23532 (Cert. 7250)

<u>Permit/Proof No.:</u>	<u>Permit/Proof No.:</u>	<u>Permit/Proof No.:</u>	<u>Permit/Proof No.:</u>
1994	2271	2410	2452
3193	5997	7480	7481
7482	7483	7484	7495
7496	7499	8175	8176
8407	8670	9671	9791
11289	11290	11291	11292
11294	11295	11296	11298
15771	15772	15773	18477
19083	19473	19545	19592
19786	19787	20110	20249
20383	20384	21422	21611
21612	21616	21744	21745
22557	22558	22754	23103
23179	23242	23530	23781
23929	23930	24039	24040
24045	24087	24494	24495
24551	25475	27096	27806
34607	34608	34609	34610

35340	35341	35342	35343
35344	35345	35346	35347
35349	35355	35696	35697
35698	35699	35700	35701
35702	35703	35704	35761
35762	35765	35764	35765
35766	35767	35768	35769
35770	35771	35772	35773
35774	35775	35845	35848
35850	35851	35852	35853
35951	35952	35953	35954
35956	35958	35959	35960
35961	36177	36179	36180
36181	36182	36183	43169
43229	54365	54366	54367
57109	57110	57401	67676
V00805	V01029	V01030(cert. 29)	V01030(cert. 28)
V01031	V01134	V01135	V01178
V01179	V01236	V01287	V01289
V01291	V01293	V01296	V01297
V01299	V01300	V01497	V01498
V01499	V01500	V01727	V01728
V01729	V01730	V01734	V01735
V01736	V01757	V01971	V01972
V01973	V01974	V01975	V01976
V01977	V01978	V01979	V01980
V01981	V01982	V01983	V01984
V01985	V01986	V01987	V01988
V01989	V01990	V01991	V01992
V01993	V01994	V01995	V01996
V01997	V01998	V01999	V02000
V02001	V02002	V02003	V02004
V02005	V02006	V02007	V02008
V02009	V02010	V02011	V02012
V02013	V02014	V02015	V02016
V02017	V02018	V02019	V02020
V02021	V02022	V02023	V02024
V02025	V02026	V02027	V02111
V02112	V02113	V02114	V02115
V02116	V02117	V02118	V02119
V02120	V02121	V02122	V02123
V02124	V02125	V02198	V02199
V02200	V02201	V02204	V02205
V03674	V03675	V03676	V03677
V03678	V03679	V03680	V03681
V03682	V03683	V03684	V03685
V03686			



<u>Permit/Proof No.:</u>	<u>Permit/Proof No.:</u>	<u>Permit/Proof No.:</u>	<u>Permit/Proof No.:</u>
1994	3193	8175	8176
8407	8670	9671	11289
11290	11291	19787	21422
24494	24551	59108	59109
59110	59112	59113	59115
59116	59119	59120	59123
60014	60016	60019	60118
63110	63111	63112	63113
63114	63115	63116	63117
63118	63331	63332	63333
63334	63335	63336	63337
63338	63339	63340	63341
63342	63343	63344	V00805
V01236	V01287	V01296	V01297
V01497	V01498	V01499	V01729
V01730	V01734	V01735	V01736
V01737	V01971	V01972	V01973
V01974	V01975	V01976	V01977
V01978	V01979	V01980	V01981
V01982	V01983	V01984	V01985
V01986	V01987	V01988	V01989
V01990	V01991	V01992	V01993
V01994	V01995	V01996	V01997
V01998	V01999	V02000	V02001
V02002	V02003	V02004	V02005
V02006	V02007	V02008	V02009
V02011	V02012	V02013	V02014
V02015	V02015	V02017	V02018
V02019	V02020	V02021	V02022
V02023	V02024	V02025	V02026
V02027	V02111	V02112	V02113
V02114	V02115	V02116	V02117
V02118	V02119	V02120	V02121
V02122	V02123	V02124	V02125
V02198	V02199	V02200	V02201
V02204	V02205	V03674	V03675
V03678			