

Official RecordRecording requested By
TRAVIS BOWEN, PC

Lincoln County - NV

Leslie Boucher - Recorder

Fee: \$44.00

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RPTT:

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0135323

AFTER RECORDING PLEASE RETURN TO:

Travis Bowen P.C.
136 East South Temple, Suite 1050
P.O. Box 11637
Salt Lake City, Utah 84147-0637

DEED OF TRUST

**Property Identification Numbers: 014-070-03
014-070-04**

THIS DEED OF TRUST (hereinafter referred to as "Deed of Trust") is executed to be effective the 1st day of January, 2009, by and between Tule Ranch Limited Partnership, whose address is 1629 South Convention Center Drive, St. George, Utah 84770 (hereinafter referred to as "Trustor"), Travis Bowen, P.C. whose address is 136 East South Temple, Ste. 1050, Salt Lake City, UT 84111 (hereinafter referred to as "Trustee"), and Pine Valley Investments Limited Partnership whose address is 517 Belmont Drive, St. George, UT 84790 (hereinafter referred to as "Beneficiary").

Grant in Trust. Trustor hereby grants, transfers, assigns, conveys and warrants to Trustee IN TRUST, WITH THE POWER OF SALE, all rights, title and interest which Trustor now has or may later acquire in that certain real property located in the County of Lincoln, State of Nevada, described on Schedule "A" attached hereto and incorporated herein by this reference, together with all buildings, fixtures and improvements now or hereafter located thereon and all rights of way, easements, rents, issues, profits, income, tenements, hereditaments, privileges and appurtenances thereunto belonging, used, or enjoyed with such real property or any part thereof (collectively, the "Property").

Secured Obligations. Trustor makes the grant, conveyance, transfer and assignment set forth herein for the purpose of securing: (a) the payment and performance of all obligations of Trustor under that certain Revolving Loan Agreement dated January 1, 2009 in an amount up to a maximum of one hundred thousand dollars (\$100,000.00) and signed by Trustor in favor of Beneficiary (the "Agreement"); and (b) the payment and performance of each agreement of Trustor contained herein.

Condition of Property. Trustor agrees to comply with all laws, covenants and restrictions affecting the Property; not to commit or permit waste thereof; not to commit, suffer or permit any act with respect to the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.



Remedies. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do 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; commence, 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, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefore, including cost of evidence of title, employ counsel, and pay counsel's reasonable fees.

Trustee's Powers. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Deed of Trust (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the indebtedness secured hereby, Trustee may (a) join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof; or (b) reconvey, without warranty, all or any part of the Property. The grantee in any reconveyance may be described as "the person or persons entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor agrees to pay reasonable Trustee's fees for any of the services mentioned in this paragraph.

Events of Default. The occurrence of any one or more of the following events (including the passage of time, if any, specified therefore) shall constitute a default by Trustor under this Deed of Trust:

- A. The nonpayment of any payment of this loan when the same shall have become due and payable;
- B. Trustor breaks any promise Trustor has made to Beneficiary, or Trustor fails to comply with or to perform when due any other term, obligation, covenant, or condition contained in this Note or any agreement related to this Note, or in any other agreement or loan Trustor has with Beneficiary;
- C. Default in the obligation of the Trustor for borrowed money, other than this loan, which shall continue for a period of thirty (30) days.
- D. Trustor defaults under any loan, extension of credit security agreement, purchase or sales agreement, or any other agreement in favor of any other creditor or person that may materially affect any of Trustor's property or Trustor's ability to repay this Note or perform Trustor's obligations under this Note or any of the supporting documents;
- E. Any representation or statement made or furnished to Beneficiary by Trustor or on Trustor's behalf is false or misleading in any material respect either now or at the time made or furnished;



F. Trustor dissolves (regardless of whether election to continue is made), any owner withdraws from Trustor, any owner dies, or any of the owners or Trustor becomes insolvent, a receiver is appointed for any part of Trustor's property, Trustor makes an assignment for the benefit of creditors, or any proceeding is commenced either by Trustor or against Trustor under any bankruptcy or insolvency laws;

G. Any creditor tries to take any of Trustor's property on or in which Beneficiary has a lien or security interest;

H. Any guarantor dies or any of the other events described in this default section occurs with respect to any guarantor of this Note;

I. A material adverse change occurs in Trustor's financial condition, or Beneficiary believes the prospect of payment or performance of the Indebtedness is impaired;

J. Beneficiary in good faith deems itself insecure. If any default, other than a default in payment, is curable and if Trustor has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if Trustor, after receiving written notice from Beneficiary demanding cure of such default: (a) cures the default within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps which Beneficiary deems in Beneficiary's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

K. The entry of a decree or order by a court having jurisdiction in the premises adjudicating the Trustor as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Trustor under the federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee or trustee of the Trustor, or any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of thirty (30) consecutive days.

L. The institution by the Trustor of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the federal Bankruptcy Act or any other applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee or trustee of the Trustor, or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors or the admission by it in writing of its inability to pay its debts



generally as they become due, or the taking of corporate action by the Trustor in furtherance of any such action.

No Waiver. The failure on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right, and the waiver by Beneficiary of any default shall not constitute a waiver of any other or subsequent default.

Notice of Default. Time is of the essence hereof. Upon the occurrence of any event of default, all sums secured hereby shall immediately become due and payable at the option of Beneficiary. In the event of such default, Beneficiary may execute or cause Trustee to execute a written Notice of Default and of election to cause the Property to be sold to satisfy the obligations hereof, and Trustee shall file such notice for record in each county wherein the Property or some part or parcel thereof is situated.

Trustee's Sale. After the lapse of such time as may then be required by law, Trustee, without demand on Trustor, shall sell the Property on the date and at the time and place designated in a Notice of Sale, which Notice of Sale shall be prepared, posted, published, and mailed as then required by law, and any resulting trustee's sale shall be held and conducted in accordance with the laws of the State of Nevada.

Successor Trustee. Beneficiary may appoint a successor trustee at any time by filing for record in the office of the County Recorder of each county in which the Property or some part thereof is situated, a substitution of trustee. From the time the substitution is filed for record, the new trustee shall succeed to all the powers, duties, authority and title of the Trustee named herein or any successor trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made, in the manner provided by law.

Successors and Assigns. This Deed of Trust shall apply to, inure to the benefit of, and bind all parties hereto, their successors and assigns. In this Deed of Trust, whenever the context requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

Acceptance of Trust. 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.

Governing Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Nevada.



20 IN WITNESS WHEREOF, Trustor has caused this Deed of Trust to be executed on this day of November, 2009, effective as of the date first above written.

TRUSTOR:

**TULE RANCH LIMITED PARTNERSHIP
A NEVADA LIMITED PARTNERSHIP
BY: TULE RANCH MANAGEMENT, L.L.C.
ITS: GENERAL PARTNER**

Kenneth B. Newby
Kenneth B. Newby, Manager

STATE OF UTAH)
)
COUNTY OF Washington) : ss.)

The foregoing instrument was acknowledged before me this 20 day of 2009, by Kenneth B. Newby, Manager of Tule Ranch Management, L.L.C., general partner of Tule Ranch Limited Partnership, Trustor.



Kelle L. Leitner
NOTARY PUBLIC



Schedule "A"
(County of Lincoln, State of Nevada)

Parcel Number: 014-070-03

PARCEL 1: Beginning at the point of intersection of the North-South Section line of Section 15 and 16, T5S, R69E, Mt. Diablo Base & Meridian, with Union Pacific Railroad right of way, and running thence Westerly along the North side of said right of way a distance of 1320 Feet; thence at right angles North 148.5 feet; thence at right angles Easterly 1320 feet; paralleling said Railroad right of way, thence South along the Section line 148.5 feet to the point of beginning; containing 4 ½ acres, more or less.

PARCEL 2: All of the South one-half of that portion of the SW quarter of the NE quarter of Section 16, T5S, R69E, Mt. Diablo Base & Meridian, which lies North of the Union Pacific Railroad Company right of way, containing 9 acres, more or less.

Parcel Number: 014-070-04

The East 985 feet of the Southeast Quarter (SE1/4) of the Northeast Quarter (NE1/4) of Section 16, Township 5 South, Range 69 East, M.D.M. lying South of the Union Pacific Railroad Company right of way.

Together with all improvements thereon and all appurtenances thereunto belonging.