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Gary W. Ott
Recorder, Salt Lake County, UT
TALON GROUP
BY: eCASH, DEPUTY - EF 16 P.

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**
Kennecott Land Company
5295 South 300 West, Suite 475
Murray, UT 84107
Attention: Senior Contracts and Revenue Analyst

**TRUST DEED, ASSIGNMENT OF RENTS AND LEASES,
SECURITY AGREEMENT AND FIXTURE FILING**

by

**HOLMES HOMES, INC.,
AS TRUSTOR**

to

**FIRST AMERICAN TITLE INSURANCE COMPANY,
AS TRUSTEE**

for the benefit of

**KENNECOTT LAND RESIDENTIAL DEVELOPMENT COMPANY,
AS BENEFICIARY**

May 15, 2007

THE TALON GROUP
CV# 296014

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**TRUST DEED, ASSIGNMENT OF RENTS AND LEASES,
SECURITY AGREEMENT AND FIXTURE FILING**

THIS TRUST DEED, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (this "**Trust Deed**") is made as of May 15, 2007, by **HOLMES HOMES, INC.**, a Utah corporation ("**Trustor**"), to **FIRST AMERICAN TITLE INSURANCE COMPANY** ("**Trustee**") for the benefit of **KENNECOTT LAND RESIDENTIAL DEVELOPMENT COMPANY**, a Delaware corporation ("**Beneficiary**").

THIS TRUST DEED is given, among other things, for the purpose of the prompt payment and performance in full of (a) Trustor's obligations under that certain Profit Participation, Marketing and Sales Procedure Agreement between Trustor and Beneficiary (the "**PPA**") to pay the "Total Excess Profit Participation Payment," and the "Marketing Fee" (all as defined in the PPA), and (b) all obligations of Trustor now or hereafter existing under this Trust Deed or which recite that they are secured by this Trust Deed (collectively, the "**Obligations**").

1. Name and address of Beneficiary: Kennecott Land Residential Development Company
5295 South 300 West, Suite 475
Murray, Utah 87107
Attn: M. Bruce Snyder

2. Name and address of Trustor: Holmes Homes, Inc.
45 West 10000 South, Suite 206
Sandy, Utah 84070
Attn: Patrick H. Holmes
Telephone: (801) 572-6363
Telecopy: (801) 572-6598

1. GRANT IN TRUST

Trustor irrevocably **GRANTS, CONVEYS, WARRANTS, TRANSFERS AND ASSIGNS TO TRUSTEE, IN TRUST, WITH POWER OF SALE** and right of entry and possession, the entire right, title and interest of Trustor in and to that certain real property ("**Land**") situated in the City of South Jordan, County of Salt Lake, State of Utah, more particularly described in Exhibit A attached hereto and made a part hereof, together with all right, title and interest that Trustor otherwise now has or may hereafter acquire in the Land, and all right, title and interest that Trustor now has or may hereafter acquire in:

1.1 All easements, rights of way, licenses, covenants, agreements and other appurtenances and rights used in connection with the Land or as a means of access thereto, whether now or hereafter created ("**Appurtenances**");

1.2 All buildings, structures, improvements, fixtures, pipes, wires and equipment now and hereafter owned, constructed, located, erected or installed upon or appurtenant to the Land and all replacements and substitutions therefor ("**Improvements**"), together with all maps, plans

and specifications, design, engineering and construction contracts, bonds, warranties and other contract rights and other general intangibles relating to the construction of Improvements upon the Land, as well as all contract rights relating to sales of all or portions of the Land and Improvements (“**Contracts**”);

1.3 All leases, subleases, licenses and other occupancy agreements with respect to the Land, Improvements, and Appurtenances (“**Leases**”);

1.4 All rentals or other payments which may now or hereafter accrue or otherwise become payable under the Leases to or for the benefit of Trustor together with all other income, rents, revenues, sale proceeds, issues and profits produced by the Land, Improvements, and Appurtenances (collectively the “**Rents**”); and

1.5 All proceeds (including insurance and condemnation proceeds) from such Land, Improvements, Appurtenances, Leases and Rents including all deposits made with or other security given to utility companies and claims or demands relating to insurance or condemnation awards which Trustor now has or may hereafter acquire, including all advance payments of insurance premiums made by Trustor with respect thereto, as well as all deposits made by purchasers of portions of the Land (“**Proceeds**”).

All of the above referenced Land, Improvements, Contracts, Appurtenances, Leases, Rents and Proceeds are collectively referred to herein as the “**Property.**”

2. SECURITY AGREEMENT AND FIXTURE FILING

2.1 This Trust Deed also constitutes a security agreement and Trustor hereby grants to Beneficiary a security interest in and to all of its personal property (the “**Personal Property**”) located on the Land or Improvements (excluding construction equipment), whether Trustor now or hereafter obtains an interest in such Personal Property and all the proceeds or products thereof. Upon a breach of the Obligations secured hereby, Beneficiary is entitled to exercise with respect to all such collateral all of the rights and remedies set forth herein or otherwise afforded to a secured party under the terms of Chapter 9a of the Utah Uniform Commercial Code, any or all of which may be pursued and exercised concurrently, consecutively, alternatively or otherwise. Trustor hereby authorizes Beneficiary to file any financing statements required by Beneficiary to perfect or evidence the security interest created herein.

2.2 Trustor shall pay all costs of filing any financing, continuation or termination statements with respect to the security interest created by this Trust Deed; and Beneficiary is hereby appointed Trustor’s attorney-in-fact to do, at Beneficiary’s option and at Trustor’s expense, all acts and things which Beneficiary may deem necessary to perfect and continue perfected the security interest created by this Trust Deed and to protect the Property. During the pendency of an Event of Default (hereinafter defined), Beneficiary may execute, transfer and deliver, in the name of Trustor, receipts and any other documents necessary to evidence, perfect or realize upon the security interests and secured Obligations created or secured by this Trust Deed. This authority is a power coupled with an interest and shall be irrevocable until all the Obligations secured hereby are paid and performed in full.

2.3 This Trust Deed is also a Utah Uniform Commercial Code fixture filing (“**Fixture Filing**”) for all Property now or hereafter so affixed by or on behalf of Trustor to the Land or Improvements as to have become a fixture.

2.4 Trustor’s principal place of business is at _____. Trustor does not do business under any trade name except as previously disclosed in writing to Beneficiary. Trustor shall immediately notify Beneficiary in writing of any change in its place of business or the adoption or change of any trade name or fictitious business name and shall, upon request of Beneficiary, deliver any additional financing statements or other certificates necessary to reflect the adoption or change in trade name or fictitious business name.

2.5 Trustor’s U.S. employer identification number is _____.

3. ASSIGNMENT OF LEASES AND RENTS

3.1 Trustor hereby assigns to Beneficiary the Leases and Rents. Until the occurrence of an Event of Default, Trustor may collect and use all such Rents as they become due and may exercise all rights under the Leases, if any. The foregoing assignment shall not impose upon Beneficiary any duty to produce Rents from the Property or cause Beneficiary to be a “mortgagee in possession” for any purpose.

3.2 Trustor shall take all steps and do all things necessary to keep and maintain any Leases in full force and effect and shall enforce the provisions thereof, and prosecute any suits, actions and proceedings necessary to enforce compliance therewith. If Trustor fails to take suitable action to enforce the Leases or any guaranty thereof or to preserve any rights or remedies thereunder, Beneficiary, after giving five days’ written notice to Trustor, may, but is not required to, take such action as it shall deem appropriate, in its own name or in the name of Trustor for the use and benefit of Beneficiary, to enforce the Leases and to preserve any rights or remedies thereunder, and all costs and expenses incurred by Beneficiary in taking any such action shall be payable on demand and shall constitute part of the secured indebtedness hereunder.

4. COVENANTS OF TRUSTOR

To protect and preserve the security of this Trust Deed, Trustor shall:

4.1 take all action necessary to keep the Property at all times in good condition and repair and keep and maintain abutting grounds, sidewalks, parking and landscape areas in good and neat order and repair;

4.2 pay when due all claims for labor performed and materials furnished, provided that Trustor shall not be required to pay any such claim if it in good faith contests the validity thereof and, if so contested, shall provide for the payment thereof in a manner reasonably satisfactory to Beneficiary;

4.3 comply with all laws, ordinances, regulations, conditions and restrictions now or hereafter affecting the Property or any part thereof;

4.4 not commit or permit any waste or deterioration of the Property;

4.5 maintain with financially sound and reputable insurers, insurance with respect to the Property against such casualties and contingencies as required under the PPA;

4.6 appear in and defend any action or proceeding affecting or purporting to affect the security of this Trust Deed, any additional or other security for any of the obligations secured hereby, or the interest, rights, powers, or duties of the Trustee or Beneficiary hereunder, it being agreed, however, that in the case of an action or proceeding against the Trustee or Beneficiary said Trustee or Beneficiary, at its option, may appear in and defend any such action or proceeding and, in addition, it being agreed that the Beneficiary may commence any action or proceeding deemed necessary by it to perfect, maintain or protect such interest, rights, powers or duties, all in such manner and to such extent as it may determine to be appropriate, and the Trustee or Beneficiary is authorized to pay, purchase or compromise on behalf of Trustor any encumbrance or claim which in its judgment appears or purports to affect the security hereof or to be superior hereto; and pay all costs and expenses, including costs of evidence of title and attorney's fees in a reasonable sum, in any above described action or proceedings in which Beneficiary or the Trustee may appear;

4.7 pay, and submit to Beneficiary, at least five days before default, a receipt or other evidence of payment, or certified copy thereof, evidencing payment of all taxes and assessments affecting the Property, and any accrued interest, cost or penalty thereon, provided that Trustor shall not be required to pay any such tax or assessment if it in good faith contests the validity thereof and, if so contested, shall provide for the payment thereof in a manner reasonably satisfactory to Beneficiary;

4.8 pay when due all encumbrances, liens or charges, with interest, on the Property or any part thereof which appear to be prior or superior hereto, and pay immediately and in full all such encumbrances, liens or charges, if any, which may now be due or payable; provided that Trustor shall not be required to pay any such encumbrances, lien or charge if it in good faith contests the validity thereof and, if so contested, shall provide for the payment thereof in manner satisfactory to Beneficiary;

4.9 pay when due all costs, fees and expenses of these trusts, including costs of title insurance and the Trustee's fees in connection with a sale, whether completed or not, which amounts shall become due upon delivery to the Trustee of declaration of default and demand for sale, as hereinafter provided;

4.10 pay immediately all reasonable and necessary sums expended or expense incurred by the Trustee or by Beneficiary to enforce the terms of the Trust Deed, including reasonable attorneys' fees, under any of the terms of this Trust Deed, with interest from date of expenditure at an interest rate equal to ten percent (10%) per annum; and

4.11 shall not sell, exchange or otherwise transfer any portion of the Property, other than an Exempt Sale (as defined below), without first giving prior written notice thereof to Beneficiary. As used in this Section, the term "**transfer**" means any transfer, sale, lease, or other conveyance, whether voluntary, involuntary, by operation of law or by agreement for sale or in

any other manner, but excluding any transfer merely as security for the performance of an obligation. "**Exempt Sale**" means the sale of the Property or any portion thereof to a wholly owned affiliate of Trustor or sales or leases of single family residences to residential homebuyers made in the ordinary course of Trustor's business.

5. APPLICATIONS OF INSURANCE AND CONDEMNATION PROCEEDS

All proceeds of property insurance and condemnation awards may, in the reasonable discretion of Beneficiary be released to Trustor or applied by Beneficiary against the Obligations in the following order of priority:

FIRST: To the payment of the costs and expenses of such any foreclosure sale, collection or other realization, and all expenses, liabilities and advances made or incurred by Beneficiary in connection therewith, in accordance with this Trust Deed;

SECOND: After payment in full of the amounts specified in the preceding subparagraph, to the payment of all of the Obligations in accordance with the terms of the PPA; and

THIRD: After payment in full of the amounts specified in the preceding subparagraphs, to the payment to or upon the order of Trustor, or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

6. ACCEPTANCE NOT WAIVER

By accepting payment of any sum secured hereby after its due date, neither the Trustee nor Beneficiary shall be deemed to have waived the right either to require prompt payment when due of all other sums so secured or to declare default as herein provided for failure so to pay.

7. CONVEYANCE, EASEMENTS, SUBORDINATION, RELEASES

At any time, or from time to time, without liability therefor and without notice, upon written request by Beneficiary, upon presentation of this Trust Deed, and without affecting the liability of any person for payment or performance of the Obligations secured hereby or the effect of this Trust Deed upon the remainder of the Property, the Trustee may reconvey any part of the Property, consent in writing to the making of any map or plat thereof, execute releases, join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

8. PARTIAL RELEASE OF SECURITY

This Trust Deed may be released with respect to those portions of the Property being conveyed pursuant to an Exempt Sale. If Trustor is entitled to such a release, then Beneficiary shall execute and deliver a Request for Partial Reconveyance to release such portions of the property to be released from the lien of this Trust Deed within five business days after the date Beneficiary receives Trustor's request for release. Such request for reconveyance shall be conditioned upon Beneficiary's receipt of the amounts due to Beneficiary with respect to the Obligations pursuant to the PPA. Such reconveyances shall not affect the liability of any person

for payment or performance of the Obligations secured hereby or the lien or priority of this Trust Deed upon the unreleased portions of the Property.

9. RIGHT OF ENTRY FOR INSPECTION

Beneficiary is authorized, by itself or its agents, employees, consultants or representatives, in a reasonable manner such as not to interfere with Trustor's business in a materially adverse manner and after giving notice to enter during reasonable business hours (or at any other time agreeable to Trustor) upon any part of the Property for the purpose of inspecting the same.

10. ENTRY, POSSESSION, OPERATION OF PROPERTY

10.1 Should Trustor fail or refuse to make any payment or to do any act which it is obligated hereunder to make or do, at the time and in the manner herein provided, then the Beneficiary, in its sole discretion, without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, is authorized to do and may do any of the following:

10.1.1 make any such payment or do any such act in such manner and to such extent as it may deem necessary to protect the security hereof, Beneficiary being authorized to enter upon the Property for such purposes;

10.1.2 pay, purchase, contest or compromise any claim, debt, lien, charge or encumbrance which in the judgment of Beneficiary may affect or appear to affect the security of this Trust Deed, the interest of Beneficiary or the rights, powers or duties of the Trustee or Beneficiary hereunder; or

10.1.3 either by itself or by its agents appointed by it for that purpose, enter into and upon and take and hold possession of any or all of the Property, exclude Trustor and all other persons therefrom, and operate and manage the Property, and rent and lease the same and collect all rents, issues, income and profits therefrom, and from time to time apply the same or accumulate the same for application, in such order and manner as the Beneficiary in its sole discretion shall consider advisable, to the following: costs of collecting the same, including the Trustee's fees; the necessary and proper costs of upkeep, maintenance, repair, and operation of the Property; the repayment of any sums theretofore or thereafter advanced pursuant to the terms of this Trust Deed; the amounts then due or next to become due upon any Obligations secured hereby; and the taxes and assessments upon the Property then due or next to become due.

10.2 The collection or receipt of Rents from the Property by the Trustee or Beneficiary after declaration of default and election to cause the Property to be sold under and pursuant to the terms of this Trust Deed shall not affect or impair such default or declaration of default or election to cause the Property to be sold or any sale proceedings predicated thereon, but such proceedings may be conducted and sale effected notwithstanding the receipt or collection of any such Rents. Any such Rents in the possession of the Trustee or Beneficiary at the time of sale and not theretofore applied as herein provided, shall be applied in the same manner and for the same purposes as the proceeds of the sale.

10.3 The Trustee and Beneficiary shall not be under any obligation to make any of the payments or do any of the acts above mentioned, but, upon election so to do, employment of an attorney is authorized and payment of such attorneys' fees and of all other necessary expenditures is hereby secured.

11. DEFAULT AND REMEDIES

11.1 **Events of Default.** Any of the following events will constitute an event of default hereunder (an "Event of Default"):

11.1.1 failure to pay or satisfy any amounts within ten (10) days after due with respect to the Obligations under the PPA;

11.1.2 failure to perform or comply with any term or condition contained in Section 4.11; and

11.1.3 the failure of Trustor to cure the default of any of Trustor's other obligations hereunder within ten (10) days after written notice from Beneficiary specifying the breach in the case of Trustor's obligations to pay money hereunder, and within thirty (30) days after such notice in the case of any of Trustor's other obligations hereunder; provided, however, except as specified otherwise herein, in the case of a breach of any of Trustor's obligations hereunder other than for the payment of money which is not capable of being cured within said thirty (30) day period, no Event of Default shall be deemed to have occurred so long as Trustor commences to cure such default within said thirty (30) day period and thereafter diligently and continuously prosecutes the same to a conclusion, not to exceed sixty (60) days in the aggregate.

11.2 **Acceleration Upon Default, Additional Remedies.** Upon the occurrence of an Event of Default, Beneficiary may, at its option, declare all Obligations secured hereby to be immediately due and payable without presentment, demand, protest or notice of any kind. Thereafter Beneficiary may:

11.2.1 Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Property, or any part thereof, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Property, or any part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Property, sue for or otherwise collect the Rents, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including, without limitation, attorneys' fees, upon any Obligations secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such Rents, and the application thereof as aforesaid, will not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of all or any portion of the Property or the collection, receipt and application of Rents, Trustee or Beneficiary

will be entitled to exercise every right provided for herein or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

11.2.2 Commence an action to foreclose this Trust Deed as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

11.2.3 Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Property to be sold; or

11.2.4 Exercise all other rights and remedies provided herein, in the PPA with respect to the Obligations, or in any other document or agreement now or hereafter securing all or any portion of the Obligations secured hereby, or by law.

11.3 Foreclosure By Power of Sale. Should Beneficiary elect to foreclose by exercise of the power of sale herein contained, Beneficiary shall notify Trustee and shall deposit with Trustee this Trust Deed and such receipts and evidence of expenditures made and secured hereby as Trustee may require.

11.3.1 Upon receipt of such notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor and such other persons and entities as are entitled thereto, such Notice of Default and Election to Sell as then required by law and by this Trust Deed. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Default and after Notice of Sale having been given as required by law, sell the Property at the time and place of sale fixed by it in said Notice of Sale, either as a whole, or in separate lots or parcels or items as Trustee deems expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts will be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.

11.3.2 After deducting all costs, fees and expenses of Trustee and of this Trust Deed, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale in the following priority, to payment of: (i) first, all sums expended by Beneficiary or Trustee under the terms hereof, not then repaid, with accrued interest at the rate of ten percent (10%) per annum; (ii) second, all other sums then secured hereby in such order and amounts as Beneficiary in its sole discretion determines; and (iii) the remainder, if any, to the person or persons legally entitled thereto.

11.3.3 Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement or subsequently noticed sale, and without

further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale.

11.4 Appointment of Receiver. Upon the occurrence of an Event of Default hereunder, Beneficiary, as a matter of right and without notice to Trustor or anyone claiming under Trustor, and without regard to the then value of the Property or the adequacy of any security for the obligations then secured hereby, will have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Property, and Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers will have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided herein and will continue as such and exercise all such powers until the later of (i) the date of confirmation of sale of the Property; (ii) the disbursement of all proceeds of the Property collected by such receiver and the payment of all expenses incurred in connection therewith; and (iii) the termination of such receivership with the consent of Beneficiary or pursuant to an order of a court of competent jurisdiction.

11.5 Remedies Not Exclusive. Trustee and Beneficiary, and each of them, are entitled to enforce payment and performance of any indebtedness or obligations secured hereby and to exercise all rights and powers under this Trust Deed or other agreement or any laws now or hereafter in force, notwithstanding some or all of the Obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, trust deed, pledge, lien, assignment or otherwise. Neither the acceptance of this Trust Deed nor its enforcement whether by court action or pursuant to the power of sale or other powers herein contained, will prejudice or in any manner affect Trustee's or Beneficiary's right to realize upon or enforce any other security now or hereafter held by Trustee or Beneficiary, it being agreed that Trustee and Beneficiary, and each of them, is entitled to enforce this Trust Deed and any other security now or hereafter held by Beneficiary or Trustee in such order and manner as they or either of them may in their absolute discretion determine. No remedy herein conferred upon or reserved to Trustee or Beneficiary is intended to be exclusive of any other remedy herein or by law provided or permitted, but each is cumulative and is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given to Trustee or Beneficiary or to which either of them may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Trustee or Beneficiary and either of them may pursue inconsistent remedies.

11.6 Request for Notice. Trustor hereby requests a copy of any notice of default and that any notice of sale hereunder be mailed to it at the address set forth on the signature page of this Trust Deed.

12. SATISFACTION AND RECONVEYANCE

Upon written request of Beneficiary stating that all Obligations secured hereby have been paid, and upon surrender to the Trustee of this Trust Deed and upon payment of its fees, the Trustee shall reconvey and release, without warranty, the Property, its being further agreed that the recitals in such reconveyance and release of any matters or facts shall be conclusive proof of

the truthfulness thereof and that the grantee in any reconveyance may be described as “the person or persons legally entitled thereto.”

13. WAIVER OF STATUTE OF LIMITATIONS

Trustor waives the right to plead all statutes of limitations as a defense to any demand secured by this.

14. ACCEPTANCE; IRREVOCABLE BY TRUSTOR

The Trustee shall be deemed to have accepted the trust created hereby upon recordation of this instrument in the official records of the county in which the Property is located. The trust created hereby is irrevocable by Trustor.

15. SUBSTITUTION OF TRUSTEE

Beneficiary may substitute a successor Trustee from time to time by recording at the places required by law an instrument stating the election by Beneficiary to make such substitution and identifying this Trust Deed.

16. SUCCESSORS BOUND

This Trust Deed shall bind, and the benefits shall inure to, the respective parties hereto, Beneficiary, their legal representatives, successors and assigns.

17. SEVERABILITY OF INVALID PROVISIONS

If any phrase, clause, sentence, paragraph, section, article or other portion of this Trust Deed shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Trust Deed shall not be affected thereby and shall remain in force and effect to the full extent permissible by law so long as the remainder of the Trust Deed substantially provides the relative benefits and burdens bargained for by Trustor and Beneficiary in this Trust Deed.

18. AMENDMENTS; RELEASES OR RECONVEYANCES

Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or priority of this Trust Deed upon any property not then or theretofore released as security for the full amount of all unpaid obligations, at the direction of Beneficiary the Trustee may, from time to time, and without notice to Trustor, release any person other than Trustor so liable, release or reconvey, or cause to be released or reconveyed, any portion or all of the Property, release any other or additional security for any obligation herein mentioned, or make compositions or other arrangements with debtors in relation thereto; and if the Trustee at any time holds any additional security for any obligations secured hereby, it may enforce the sale thereof or otherwise realize upon the same at its option, either before or concurrently herewith or after a sale is made hereunder.

19. HEADINGS AND REFERENCES

The headings or titles of the several sections, subsections and subdivisions hereof shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Deed. All references herein to "sections," "subsections" and other subdivisions are to the corresponding sections, subsections or subdivisions of this Trust Deed. The words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Trust Deed as a whole and not to any particular section, subsection or subdivision hereof and the term "including" and words of similar import mean "including without limitation." Words of the masculine gender shall mean and include words of the feminine and neuter genders.

20. GOVERNING LAW; VENUE

The laws of the State of Utah shall govern this Trust Deed, the interpretation thereof and any right or liability arising hereunder.

21. ATTORNEYS' FEES

If either party institutes or threatens legal proceedings to determine or enforce its legal rights arising hereunder or in connection herewith, the prevailing party shall be entitled to reasonable attorneys' fees (including fees and charges of legal assistants and other non-attorney personnel performing services under the supervision of an attorney), expert fees and costs, court costs, cost of investigation and other related expenses in connection therewith.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Trustor has caused this Trust Deed to be executed and delivered as of the date first above written.

TRUSTOR:

HOLMES HOMES, INC.,
a Utah corporation

By: 
Heidi Topham
Secretary/Treasurer

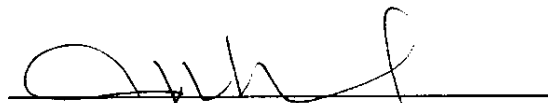
STATE OF UTAH)

) SS.

COUNTY OF SALT LAKE)

On May 14, 2007, personally appeared before me, a Notary Public, Heidi Topham, the Secretary/Treasurer of **HOLMES HOMES, INC.** personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he/she executed the above instrument on behalf of **HOLMES HOMES, INC.**

WITNESS my hand and official Seal.



Notary Public in and for said State

My commission expires: 6-22-08

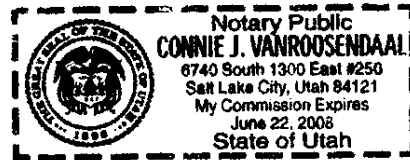


EXHIBIT A

Legal Description of the Land

LOTS DESIGNATED AS PARKSIDES

LOTS 352, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422 AND 423, KENNECOTT DAYBREAK PLAT 7 SUBDIVISION AMENDING LOTS OS2 AND V1 OF THE KENNECOTT MASTER SUBDIVISION #1 AND ADDING A PORTION OF QUITCLAIM DEED BOOK 9277 PAGE 2603 THRU 2605, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE SALT LAKE COUNTY RECORDER'S OFFICE.

Tax Parcel No.	27-18-305-013-0000	27-18-406-025-0000
	27-18-406-016-0000	27-18-406-026-0000
	27-18-406-017-0000	27-18-406-027-0000
	27-18-406-018-0000	27-18-406-015-0000
	27-18-406-019-0000	27-18-406-014-0000
	27-18-406-020-0000	27-18-406-012-0000
	27-18-406-021-0000	27-18-406-011-0000
	27-18-406-022-0000	27-18-406-009-0000
	27-18-406-023-0000	27-18-406-007-0000
	27-18-406-024-0000	

LOTS DESIGNATED AS C45

LOTS 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, AND 222, KENNECOTT DAYBREAK PLAT 7 SUBDIVISION AMENDING LOTS OS2 AND V1 OF THE KENNECOTT MASTER SUBDIVISION #1 AND ADDING A PORTION OF QUITCLAIM DEED BOOK 9277 PAGE 2603 THRU 2605, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE SALT LAKE COUNTY RECORDER'S OFFICE.

Tax Parcel No.	27-18-180-025-0000	27-18-180-007-0000
	27-18-180-024-0000	27-18-180-001-0000
	27-18-180-023-0000	27-18-180-002-0000
	27-18-180-011-0000	27-18-180-003-0000
	27-18-180-010-0000	27-18-180-004-0000
	27-18-180-009-0000	27-18-180-005-0000
	27-18-180-008-0000	27-18-180-020-0000