

When Recorded, Mail To:  
 ✓ Clifford V. Dunn, Esq.  
 P.O. Box 2318  
 St. George, UT 84771

03-155-0053 ✓  
 0055

**TRUST DEED**

03-236-0013 <sup>thru 0029, 0031</sup> 0017, 0022, 0026, 0032

THIS TRUST DEED is made the 6 day of July, 2007, between Pointe Perry, LLC, a Utah Limited Liability Company, as Trustor, whose address is 1165 South Utah Avenue, Idaho Falls, Idaho; CLIFFORD V. DUNN, 170 North 400 East, Suite G, St. George, Utah, as Trustee; and Dos Lagos, LLC, a Utah Limited Liability Company, of Idaho Falls, Idaho, as Beneficiary.

Trustor hereby CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, the following described property situated in Box Elder County, State of Utah.

See Exhibit "A"

Together with all buildings, fixtures, and improvements thereon, and all water rights, rights of way, easements, income, tenements, hereditaments, privileges, and appurtenances thereunto belonging, now or hereafter used or enjoyed with the property, or any part thereof; together with all improvements now on the premises or hereafter placed thereon, including, without limitation, all heating, lighting, refrigeration, plumbing, ventilating, incinerating, water heating, cooling and air-conditioning equipment and apparatus and all fixtures and appurtenances now and hereafter placed or installed within or about such improvements, and all renewals, replacements, and substitutions therefor; together with rents, issues, and profits of the premises, subject however to the right reserved by Trustor to collect and apply such rents, issues, and profits prior to any default hereunder; subject, however, to the right, power, and authority herein given to an conferred on Beneficiary to collect and apply such rents, issues, and profits; all fixtures, machinery, appliances, and equipment of every nature and kind whether now on the premises or hereafter to be placed or installed therein or thereon, appurtenant to the buildings erected or to be erected on the premises and intended for the use of occupants, shall be deemed a part of the realty as between Trustor and Beneficiary, their successors and assigns, and a portion of the security for the indebtedness herein mentioned and to be conveyed by this trust deed.

For the purpose of securing: (1) payment of the indebtedness and all other lawful charges evidenced by Trust Deed Note of even date herewith, in the principal sum of seven million dollars (\$7,000,000.00), made by Trustor, payable to the order of Beneficiary at all times, in the manner and with interest as therein set forth, and any extensions and/or renewals or modifications thereof; (2) the performance of each agreement of Trustor herein contained; (3) the payment of such additional loans or advances as hereafter may be made to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this trust deed; and (4) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms hereof, together with interest thereon as herein provided.

To protect the security of this trust deed, Trustor agrees:

1. To keep the property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building or improvement including, but not limited to plumbing, electrical, and sanitary sewer that may be constructed, damaged, or destroyed thereon; 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 on 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.

On presentation to Trustee of an affidavit signed by Beneficiary setting forth facts showing a default by Trustor under this paragraph, Trustee is authorized to accept as true and conclusive all facts and statements therein, and to act thereon as provided herein.

2. To provide and maintain insurance against such casualties as Beneficiary may require in an amount not less than \$1,000,000.00, for such term, and in a company or companies satisfactory to Beneficiary with loss payable clauses in favor of and in a form satisfactory to Beneficiary. In the event of loss or damage, Trustor shall give immediate notice to Beneficiary. Beneficiary may make proof of loss and settle and adjust all claims thereunder, applying the proceeds and its option to reduction of the amount due hereunder or to the restoration or repair of the property damaged. Payment of such loss may be made directly to Beneficiary. In the event of the refusal or neglect of Trustor to provide insurance or to maintain the same or to renew the same in a manner satisfactory to Beneficiary, then Beneficiary may itself procure and maintain such insurance and charge the cost thereof to Trustor under the provisions of Paragraph 7 hereof. Beneficiary shall not be required to accept or approve any policy of insurance or any renewal of an existing policy that is not delivered to it prior to 30 days before the expiration date of existing coverage even though the same may be otherwise satisfactory to Beneficiary.

3. To appear in and defend any action or proceeding purporting to effect the security hereof, the title to the property, or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence or title and attorneys' fees in a reasonable sum incurred by Beneficiary or Trustee.

4. To pay at least 30 days before delinquency all taxes and assessments affecting the property, including all assessments on water company stock and all rents, assessments, and charges for water, appurtenant to or used in connection with the property; to pay when due all encumbrances, charges, and liens with interest on the property or any part thereof that at anytime appear to be prior or superior hereto; to pay all costs, fees, and expenses of this trust.

5. Should Trustor fail to make any payment or do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand on Trustor and without releasing Trustor from any obligation hereof; may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter on the property for such purposes; 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, 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 therefor, including cost of evidence of title, employ counsel, and pay his reasonable fees.

6. To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at rate of twelve percent (12%) per annum such expenditure on note until paid, and the repayment thereof shall be secured hereby.

7. Not to make any voluntary transfer of the premises or any part thereof without first providing 30 days written notice to Beneficiary, and without paying to Beneficiary at the time of the transfer, a sum of one hundred fifty thousand dollars (\$150,000.00) per acre. Which one hundred fifty thousand dollars (\$150,000.00) per acre shall be used to reduce the principal obligation owed by Trustor to

Beneficiary pursuant to the promissory note of even date herewith. Provided further that the terms and conditions authorizing such a transfer pursuant to this agreement must be complied with for each transfer such that for each transfer there must be a 20-day written notice prior to any transfer and upon such transfer, there must be a one hundred fifty thousand dollars (\$150,000.00) per acre toward the principal obligation pursuant to the promissory note. Any such transfer, made without such notice and\or without the payment of one hundred fifty thousand dollars (\$150,000.00) per acre to be credited against the principal of the promissory note executed even date herewith shall constitute a default under the terms hereof and the note it secures, and Beneficiary may cause the same to be foreclosed, and the premises sold, according to law and the provisions hereof.

It is mutually agreed that:

8. Should the property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire or earthquake or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action, and proceeds, including the proceeds of any policies of fire and other insurance affecting the property, are hereby assigned to Beneficiary, who may, after deducting therefrom all its expenses, including attorneys' fees, apply the same on any indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damages, and rights of action and proceeds as Beneficiary or Trustee may require.

9. At any time and from time to time on written request of Beneficiary, payment of its fees and presentation of this trust deed and the note for indorsement (in case of full reconveyance, or cancellation and retention), without affecting the liability of any person for the payment of the indebtedness secured hereby, Trustee may (a) consent to the making of any map or plat of the property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this trust deed or the lien or charge thereof; (d) 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.

10. As additional security, Trustor hereby assigns to Beneficiary, during the continuance of these trusts, all rents, issues, royalties, and profits of the property affected by this trust deed and of any personal property located thereon. Until Trustor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Trustor shall have the right to collect all such rents, issues, royalties, and profits earned prior to default as they become due and payable. If Trustor shall default as aforesaid, Trustor's right to collect any of such money shall cease and Beneficiary shall have the right, with or without taking possession of the property affected hereby, to collect all rents, royalties, issues, and profits. Failure or discontinuance of Beneficiary at any time or from time to time to collect any such money shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power, and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease, or option, nor an assumption of liability under, nor a subordination of the lien or charge of, this trust deed to any such tenancy, lease, or option.

11. On default by Trustor hereunder, Beneficiary may at any time without notice, whether in person, by agent, or by a receiver to be appointed by a court (Trustor hereby consenting to the appointment of Beneficiary as such receiver), and without regard to the adequacy of any security for the indebtedness

hereby secured, enter on and take possession of the property or any part thereof, and its own name sue or otherwise collect the rents, issues, and profits, including those past due and unpaid, and apply the same, less attorneys' fees, on any indebtedness secured hereby, and in such order as Beneficiary may determine.

12. The entering on and taking possession of the property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

13. 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.

14. Time is of the essence hereof. On default by Trustor in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, 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 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. Beneficiary also shall deposit with Trustee the note and all documents evidencing expenditures secured hereby.

15. After the lapse of such time as may then be required by law following the recordation of the notice of default and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor shall sell the property on the date and at the time and place designated in the notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to an statutory right of Trustor to direct the order in which such property, if consisting of several known lots or parcels, shall be sold), at public suction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause he deems expedient, postpone the sale from time to time until it shall be completed and, in every such case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale; provided, if the sale is postponed for longer than 24 hours beyond the date designated in the notice of sale, notice thereof shall be given in the same manner as the original notice of sale. Trustee shall execute and deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or fact shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale. Trustee shall apply the proceeds of the sale to payment of (a) the costs and expenses of exercising the power of sale and of sale, including the payment of the Trustee's and attorney's fees actually incurred by Trustee and Beneficiary but not to exceed two percent (2%) of the unpaid indebtedness at the time of such sale with the minimum total of such fees not be less than ten thousand dollars (\$10,000.00); (b) cost of any evidence of title procured in connection with such sale and revenue stamps on Trustee's deed; (c) all sums expended under the terms hereof, not then repaid, with accrued interest at twelve percent (12%) from date of expenditures; (d) all other sums then secured hereby; and (e) the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit the balance of such proceeds with the county clerk of the county in which the sale took place.

16. On the occurrence of any default hereunder, Beneficiary shall have the option to declare all sums secured hereby immediately due and payable and foreclose this trust deed in the manner provided by law for the foreclosure of mortgages on real property, and Beneficiary shall be entitled to recover in such proceedings all costs and expenses incident thereto, including a reasonable attorney's fee in such amount as shall be fixed by the court.

17. 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 a substitution is filed for record, the new Trustee shall succeed to all the powers, duties, authority, and title of the Trustee named herein or of 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.

18. This trust deed shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. All obligations of Trustor hereunder are joint and several. The term Beneficiary shall mean the owner and holder, including any pledgee, of the note secured hereby. In this trust deed, whenever the text so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

19. Trustee accepts this trust then this trust deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other trust deed or of any action in which Trustor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

20. This trust deed shall be construed according to the laws of the State of Utah.

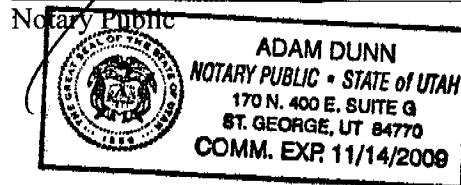
21. The undersigned Trustor requests a copy of any notice of default and of any notice of sale hereunder be mailed to him at the address hereinbefore set forth.

POINTE PERRY, LLC

By: ROLAND N. WALKER  
Its: MANAGER

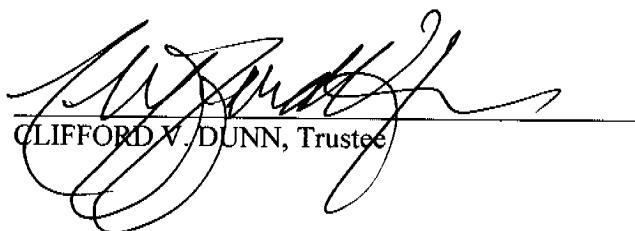
STATE OF Utah )  
: ss.  
COUNTY OF Washington)

On the 6th day of July, 2007, personally appeared before me ROLAND N. WALKER, MANAGER of Trustor the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.



///

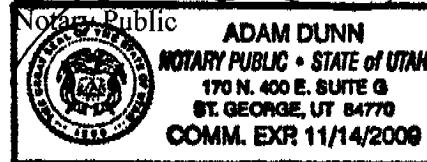
///



CLIFFORD V. DUNN, Trustee

STATE OF UTAH )  
: ss.  
COUNTY OF WASHINGTON )

On the 16<sup>th</sup> day of July, 2007, personally appeared before me CLIFFORD V. DUNN, Trustee, the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.

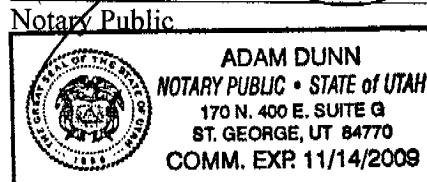


DOS LAGOS, LLC

  
By: ROLAND N. WALKER  
Its: MANAGER

STATE OF Utah )  
: ss.  
COUNTY OF Washington

On the 6<sup>th</sup> day of July, 2007, personally appeared before me ROLAND N. WALKER, MANAGER of Beneficiary, the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.



**Exhibit A**

REAL PROPERTY LOCATED IN THE COUNTY OF BOX ELDER, STATE OF UTAH, AND MORE SPECIFICALLY DESCRIBED AS A PART OF SECTION 27 AND THE NORTH HALF OF SECTION 34, TOWNSHIP 9 NORTH, RANGE 2 WEST OF THE SALT LAKE BASE AND MERIDIAN, U.S. SURVEY:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF INTERSTATE 15 LOCATED NORTH 89°30'33" EAST 2768.15 FEET ALONG THE NORTH LINE OF SAID SECTION 27 AND SOUTH 00°00'00" WEST 1365.66 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 27; RUNNING THENCE ALONG SAID RIGHT-OF-WAY LINE THE FOLLOWING FOUR COURSES: (1) TO THE RIGHT ALONG THE ARC OF A 5609.58 FOOT RADIUS CURVE, A DISTANCE OF 140.55 FEET, CHORD BEARS SOUTH 11°31'46" EAST 140.54 FEET; (2) SOUTH 04°03'25" EAST 646.38 FEET; (3) TO THE RIGHT ALONG THE ARC OF A 1095.92 FOOT RADIUS CURVE A DISTANCE OF 346.00 FEET, CHORD BEARS SOUTH 04°59'14" WEST 344.57 FEET; (4) SOUTH 14°01'54" WEST 122.00 FEET; THENCE NORTH 90°00'00" WEST 98.00 FEET; THENCE SOUTH 00°00'00" WEST 161.74 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF INTERSTATE 15 AND OF A FRONTAGE ROAD; THENCE SOUTH 14°01'53" WEST 440.07 FEET ALONG THE SAID WESTERLY RIGHT-OF-WAY LINE TO THE INTERSECTION OF SAID WESTERLY RIGHT-OF-WAY LINE OF INTERSTATE 15 AND THE WESTERLY RIGHT-OF-WAY LINE OF THE OLD CENTRAL PACIFIC RAILROAD, SAID POINT BEING LOCATED NORTH 00°31'01" EAST 2033.89 FEET ALONG THE EAST LINE OF SAID SECTION 27 AND NORTH 90°00'00" WEST 2735.58 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION 27; THENCE CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF SAID FRONTAGE ROAD THE FOLLOWING FOUR (4) COURSES: (1) SOUTH 14°01'53" WEST 116.50 FEET; (2) TO THE RIGHT ALONG THE ARC OF A 77.46 FOOT RADIUS CURVE, A DISTANCE OF 93.70 FEET. CHORD BEARS SOUTH 48°15'17" WEST 88.09 FEET; (3) SOUTH 81°28'31" WEST 29.90 FEET; (4) TO THE LEFT ALONG THE ARC OF A 528.00 FOOT RADIUS CURVE, A DISTANCE OF 319.71 FEET, CHORD BEARS SOUTH 64°07'42" WEST 314.85 FEET; THENCE SOUTH 11°14'51" WEST 75.76 FEET; THENCE SOUTH 37°01'22" EAST 30.78 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF SAID FRONTAGE ROAD; THENCE NORTH 87°26'42" EAST 107.70 FEET; THENCE SOUTH 85°44'49" EAST 303.02 FEET; THENCE SOUTH 02°33'13" EAST 1012.52 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF SAID FRONTAGE ROAD; THENCE NORTH 69°33'22" WEST 110.89 FEET TO THE WESTERLY RIGHT-OF-WAY LINE; THENCE ALONG SAID RIGHT OF WAY LINE THE FOLLOWING FOUR (4) COURSES: (1) TO THE RIGHT ALONG THE ARC OF A 807.00 FOOT RADIUS CURVE, A DISTANCE OF 550.19 FEET, CHORD BEARS SOUTH 13°52' 22" EAST 539.59 FEET; (2) SOUTH 05°23'16" WEST 17.75 FEET; (3) SOUTH 84°20'38" EAST 27.45 FEET; (4) SOUTH 03°54'27" WEST 1353.41 FEET; THENCE NORTH 86°55'59" WEST 191.77

FEET; THENCE NORTH  $87^{\circ}44'25''$  WEST 552.57 FEET; THENCE NORTH  $00^{\circ}25'24''$  EAST 256.37 FEET; THENCE NORTH  $58^{\circ}54'38''$  EAST 421.00 FEET; THENCE NORTH  $24^{\circ}34'10''$  WEST 332.32 FEET; THENCE NORTH  $89^{\circ}34'26''$  WEST 80.00 FEET; THENCE NORTH  $00^{\circ}25'24''$  EAST 132.00 FEET; THENCE NORTH  $68^{\circ}43'59''$  WEST 611.00 FEET; THENCE NORTH  $06^{\circ}27'19''$  WEST 110.71 FEET; THENCE NORTH  $08^{\circ}35'29''$  EAST 180.53 FEET; THENCE NORTH  $16^{\circ}06'19''$  WEST 291.65 FEET; THENCE SOUTH  $88^{\circ}09'05''$  WEST 64.34 FEET; THENCE NORTH  $43^{\circ}00'35''$  WEST 42.58 FEET; THENCE NORTH  $04^{\circ}53'47''$  EAST 72.91 FEET; THENCE NORTH  $44^{\circ}59'05''$  WEST 149.66 FEET; THENCE NORTH  $09^{\circ}07'31''$  WEST 117.72 FEET; THENCE NORTH  $19^{\circ}00'20''$  WEST 172.57 FEET TO AN EXISTING FENCE LINE BEING THE PREVIOUS GRANTORS PROPERTY LINE; THENCE SOUTH  $87^{\circ}15'35''$  EAST 262.49 FEET ALONG SAID FENCE; THENCE NORTH  $13^{\circ}25'58''$  WEST 330.73 FEET; THENCE NORTH  $19^{\circ}38'32''$  WEST 414.60 FEET; THENCE NORTH  $36^{\circ}58'17''$  WEST 365.28 FEET; THENCE NORTH  $45^{\circ}00'59''$  EAST 273.97 FEET; THENCE NORTH  $87^{\circ}59'09''$  EAST 331.13 FEET; THENCE NORTH  $85^{\circ}04'12''$  EAST 308.60 FEET; THENCE NORTH  $29^{\circ}03'53''$  EAST 96.56 FEET; THENCE NORTH  $80^{\circ}14'06''$  EAST 101.31 FEET; THENCE NORTH  $10^{\circ}58'47''$  EAST 106.26 FEET; THENCE NORTH  $09^{\circ}56'45''$  EAST 210.20 FEET; THENCE NORTH  $88^{\circ}39'23''$  EAST 214.80 FEET; THENCE NORTH  $01^{\circ}20'37''$  WEST 377.37 FEET; THENCE SOUTH  $75^{\circ}41'16''$  EAST 260.87 FEET; THENCE SOUTH  $61^{\circ}29'01''$  EAST 62.96 FEET; THENCE NORTH  $78^{\circ}02'05''$  EAST 170.62 FEET TO A POINT 33.00 FEET WEST OF AND PERPENDICULAR TO THE CENTERLINE OF THE OLD CENTRAL PACIFIC RAILROAD; THENCE PARALLEL TO SAID CENTERLINE TO THE LEFT ALONG THE ARC OF A 5696.58 FOOT RADIUS CURVE A DISTANCE OF 851.25 FEET, CHORD BEARS NORTH  $16^{\circ}14'46''$  WEST 850.46 FEET; THENCE NORTH  $70^{\circ}06'44'$  EAST 400.81 FEET TO THE POINT OF BEGINNING.

[BASIS OF BEARING: THE SECTION LINE BETWEEN THE SE CORNER OF SECTION 27 TO THE NE CORNER OF SECTION 27, WHICH BEARS N  $00^{\circ}03'23''$  W.] CONTAINS APPROXIMATELY 106.70 ACRES.

Less and excepting Lot 1, 2, & 3 of Pointe Perry Subdivision Phase 1 and Lot 8 of Pointe Perry Subdivision Phase 2