

SEND TAX STATEMENTS TO: No Change

AFTER RECORDING, RETURN TO:

RG Funding, LLC
Attn: Dan Kerr
PMB 351
3307 Evergreen Way, Suite 707
Washougal, WA 98671

The true and actual consideration for this transfer is a loan in the amount of \$ 9,600,000.00.

133415

TRUST DEED, SECURITY AGREEMENT, AND FIXTURE FILING
LINE OF CREDIT INSTRUMENT

This Line of Credit Instrument secures amounts which have been or will be advanced to Grantor pursuant to the terms of a Note of even date herewith, including future advances, whether discretionary or obligatory. The maximum principal amount to be advanced to Grantor pursuant to the Note, excluding future advances, is \$ 9,600,000.00 (Nine Million Six Hundred Thousand Dollars). The Note is due on demand, but may be renewed, extended, or modified in the sole discretion of the Beneficiary. However, any renewal, extension, or modification must be in writing and signed by the parties herein. The maximum principal amount to be advanced may be exceeded by advances to complete construction, if applicable.

DATE: March 4th, 2008

PARTIES: Garwick Properties II, LLC, 4140 E Baseline Road, Suite 208 Mesa, AZ 85206, as
Grantor
Meridian Title Company, as Trustee
RG Funding, LLC, PMB 351 3307 Evergreen Way, Suite 707 Washougal, WA 98671,
as Beneficiary

The Grantor conveys to the Trustee, in trust, with power of sale, the property in Utah County, Utah, commonly known as 57 Lots in the Vista Ridge Phase 1 and Vista Ridge Phase 2 subdivisions and more particularly described as follows and hereinafter referred to as "the Property":

Lots 1, 3, 7, 9, 10, 12, 14, 18, 19, 24 through 36, 38 through 43, VISTA RIDGE PHASE 1, according to the plat thereof as recorded in the office of the Utah County, Utah Recorder; and,

Lots 47, 48, 50 through 64, 66, 67, 69 through 75, 77 through 79, VISTA RIDGE PHASE 2, a subdivision of Lot 45, Vista Ridge Phase 1, according to the plat thereof as recorded in the office of the Utah County, Utah Recorder.

together with all easements, appurtenances, tenements, hereditaments, leases and rents, issues, profits, water rights, easements or privileges now or hereafter belonging to, derived from or in anywise appertaining to the Property, and all rights of Grantor in and to any escrow or withhold agreements, title insurance, surety bonds, warranties, management contracts, leasing and sales agreements, land sale contracts, service contracts, accounts and other rights to the payment of money that are in any way relevant to the ownership, development, improvement, management, sale, or use of all or any portion of the Property.

This Trust Deed is intended to secure the payment of a promissory note of even date herewith in the principal amount of Nine Million Six Hundred Thousand no/100 ***** Dollars (\$ 9,600,000.00) together with all interest due thereon, hereinafter referred to as "the Note," together with any and all past

or future indebtedness, covenants and obligations owed by Grantor to Beneficiary, whether related to this Trust Deed or not and whether for the same purpose or nature of the advances made under the Note or not, plus Grantor's obligations under a Construction Loan Agreement and other loan documents of even date herewith. The final payment of principal and interest on the Note, if not sooner paid, is due and payable on demand, but may be renewed, extended, or modified in the sole discretion of the Beneficiary. However, any renewal, extension, or modification must be in writing and signed by the parties herein. The maximum principal amount to be advanced may be exceeded by advances to complete construction, if applicable.

Grantor hereby covenants to and with the Trustee and the Beneficiary that: (1) he is lawfully seized in fee simple of the Property and has a valid unencumbered title thereto, except as set forth on Exhibit "A" attached hereto and incorporated herein and will warrant and forever defend the same against all persons; and (2) that the Property and Improvements are used by Grantor exclusively for business and commercial purposes, the Property and Improvements are not now, and at no time in the future will be, used principally for agricultural or farming purposes, and that the Property and Improvements are not now, and at no time in the future will be, occupied as the principal residence of Grantor, Grantor's spouse, or Grantor's minor or dependent child.

Grantor agrees: (1) that he will pay the Note according to the terms thereof; (2) that he will pay all taxes, assessments and other charges which may be levied or assessed against the Property when due and will provide Beneficiary proof of such payment when requested; (3) that he will promptly discharge any liens against the Property; (4) that he will keep the improvements now on or which may hereafter be erected on the Property insured in favor of the Beneficiary against loss or damage by fire, with extended coverage for the full replacement value of the Property, with a company acceptable to the Beneficiary, and will name Beneficiary as an additional insured as his interest may appear; (5) that he will keep the building and improvements on the Property in good repair, will not demolish or alter any improvement on the Property without Beneficiary's prior written consent, and will not commit or suffer any waste of the Property; (6) that he will comply with all laws and covenants which apply to the Property; (7) that he will not permit any hazardous substance or material, as defined by state or federal law, to be kept, used, or stored on the Property and to indemnify and hold Beneficiary and its directors, officers, employees, agents, successors, and assigns, harmless from, indemnify them for, and defend them against any and all losses, damages, liens, costs, expenses, and liabilities directly or indirectly arising out of or attributable to any violation of any environmental law, any breach of Beneficiary's obligations regarding hazardous substances or materials hereunder, and any and all claims related to the existence of any such hazardous substance on the Property, including without limitation the costs of any required repair, cleanup, containment, or detoxification of the Property, the preparation and implementation of any closure, remedial or other required plans, attorney fees and costs (including but not limited to those incurred in any proceeding and in any review or appeal), fees, penalties, and fines.

In the event any proceeds are paid on behalf of the Property, whether by insurance proceeds on some casualty, or by condemnation or other eminent domain proceeding ("Proceeds"), then in that event, Beneficiary may, at its sole option, apply the Proceeds to the reduction of the Obligations in such order as Beneficiary may determine, or apply all or any portion of the Proceeds to the cost of restoring and improving the Property. In the event that Beneficiary elects to apply the Proceeds to restoration and improvement, the proceeds shall be held by Beneficiary and shall be released only upon such terms and conditions as Beneficiary shall require in its sole discretion, including but not limited to prior approval of plans and release of liens. No Proceeds shall be released if Grantor is in default under this Trust Deed.

To secure Grantor's obligations under the Note and Loan Agreement, Grantor grants to Beneficiary a security interest in the following:

- a. The Property to the extent the same is not encumbered by this Trust Deed as a first priority real estate lien;
- b. All personal property that is used or will be used in the construction of any Improvements on the Property;

- c. All personal property that is now or will hereafter be placed on or in the Property or Improvements;
- d. All personal property that is derived from or used in connection with the use, occupancy, or enjoyment of the Property;
- e. All property defined in the Uniform Commercial Code as adopted in the state of Utah, as fixtures, to the extent the same are used at, or arise in connection with the ownership, maintenance, or operation of, the Property;
- f. All causes of action, claims, security deposits, advance rental payments, utility deposits, refunds of fees or deposits paid to any governmental authority, refunds of taxes, and refunds of insurance premiums relating to the Property; and
- g. All present and future attachments, accessions, amendments, replacements, additions, products, and proceeds of every nature of the foregoing.

This Trust Deed shall constitute a security agreement and "fixture filing" under the Uniform Commercial Code Secured Transactions statutes of the State of Utah. The mailing address of Grantor and the address of Beneficiary from which information may be obtained are set forth in the introductory paragraph of this Trust Deed.

Grantor shall be in default under this Trust Deed if any of the following occur: (1) Grantor fails to pay any amount under this Trust Deed or Note when due; (2) Grantor fails to perform or abide by any other covenant or obligation included in this Trust Deed, the Note, the Construction Loan Agreement and any other loan documents, if any; (4) Grantor defaults beyond the applicable grace periods in the payment of any other indebtedness owed by Grantor to any person, if such indebtedness is secured by all or any portion of the Property; (5) the sale, agreement to sell, conveyance, assignment or alienation by the Grantor of the Property, or any party thereof, without first having obtaining the written consent of the Beneficiary; (6) A default by Grantor in any other past or future indebtedness, covenants obligations owed to Beneficiary by Grantor; (7) the occurrence of any of the following with respect to the Grantor: (a) appointment of a receiver, liquidator, or trustee for Grantor or any of his properties, (b) adjudication of Grantor as a bankrupt or insolvent, (c) filing any petition by or against Grantor under any state or federal bankruptcy, reorganization, moratorium or insolvency law, (d) institution by or against Grantor of any proceeding for dissolution or liquidation, (e) inability of Grantor to pay debts when due, (f) any general assignment for the benefit of creditors by Grantor, or (g) abandonment of the Property by Grantor; or (8) the falsity when made in any material respect of any representation, warranty, or information furnished by Grantor or its agents to Beneficiary in or in connection with this Trust Deed and the documents it secures.

Time is of the essence hereof and upon default by the Borrower, the Lender may declare all sums secured hereby immediately due and payable and may deliver to the Trustees written notice of default and election to sell the Trust Property, under Utah Code Ann. § 57-1-24 et seq. Borrower's default hereunder shall make operative the power of sale. The power of sale conferred by the trust deeds and by the Trust Deed Act of the State of Utah is not an exclusive remedy; Lender may cause the trust deeds to be foreclosed as mortgages. The Lender may proceed by non-judicial, or judicial foreclosure, and may proceed with any and all other available remedies simultaneously, consecutively, or in any order or fashion in the Lender's sole discretion. Lender may have a receiver appointed for the Trust Property to manage, control, collect rents, and lease the Trust Property; Lender is entitled to this appointment as a matter of right whether or not the apparent value of the Trust Property exceeds the amount of the indebtedness secured by the trust deeds; employment by Trustee or Lender shall not disqualify a person from serving as receiver. The foregoing remedies are not exclusive. No delay or omission in exercising any right or remedy shall impair the full exercise of that or any other right or remedy or constitute a waiver of the default. In addition, Lender may, without waiver of such default by Borrower or of any of Lender's other rights or remedies, cause any other lien secured by the Trust Property, whether or not permitted by this Loan Agreement or the Loan Documents, to be discharged (or may accept an assignment of the rights of the lienholder) by any lawful means. All cost incurred by Lender in connection with such lien shall be repaid to Lender immediately upon demand, and until repaid such sums shall bear interest at the default rate under the Note and shall be secured by the trust deeds.

If Beneficiary refers this Trust Deed to an attorney for collection or seeks legal advice following a default; if Beneficiary is the prevailing party in any litigation instituted in connection with any of the Obligations; or if Beneficiary or any other person initiates any judicial or nonjudicial action, suit, or proceeding in connection with this Trust Deed or the Property (including but not limited to proceedings under federal bankruptcy law—which may include the prosecution of claims that are peculiar to bankruptcy law such as the filing and litigation of a motion for relief from stay, for adequate protection, objection to the adequacy of a disclosure statement, litigation as to valuation of collateral, objection to confirmation of a plan of reorganization, or otherwise; eminent domain; under probate proceedings; or in connection with any state or federal tax lien), and an attorney is employed by Beneficiary to: (1) appear in any such action, suit, or proceeding; or (2) reclaim, seek relief from a judicial or statutory stay, sequester, protect, preserve, or enforce Beneficiary's interests, then in any such event Grantor shall pay reasonable attorney fees, costs, and expenses incurred by Beneficiary or its attorney in connection with the above-mentioned events or any appeals related to such events, including but not limited to costs incurred in searching records, title reports, environmental reports, and surveyors' reports. Such amounts shall be secured by this Trust Deed and, if not paid upon demand, shall bear interest at the rate specified in the Note. In any bankruptcy, insolvency or similar proceeding affecting creditors' rights, Beneficiary shall be entitled to interest on any arrearage being paid through the bankruptcy or similar proceeding at the then applicable rate of interest as provided by the Note. This Trust Deed and the validity, interpretation, performance, and enforcement of the Trust Deed shall be governed by the laws of the state of Utah. This Trust Deed contains the entire agreement of the parties with respect to the Property. No prior agreement, statement, or promise made by any party to this Trust Deed that is not contained herein shall be binding or valid.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE GENERALLY NOT ENFORCEABLE.

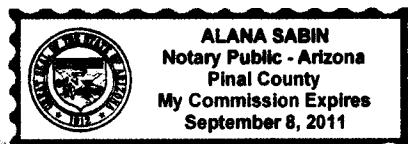
GRANTOR

Garwick Properties II, LLC

Gary L. Whiting, Manager

STATE OF ARIZONA)
) ss.
 County of Maricopa) .

The foregoing instrument was acknowledged before me this 4th day of March, 2008, by Gary L. Whiting, Manager of Garwick Properties II, LLC a Utah limited liability company, on behalf of the Company. This instrument was acknowledged with the authority and for the benefit of the Garwick Properties II, LLC.



Alana Sabin
NOTARY PUBLIC FOR ARIZONA
My Commission Expires: 9/8/2011