

WHEN RECORDED, MAIL TO:

Gary W. Nielsen
Attorney At Law
4970 North 400 West
Park City, Utah 84098

Recorded **DEC 10 2002** Filing No. **60360**
At **4:55** ~~PM~~ in Book **N9** Page **208**
Fee **53.00** Debra L. Arnes Fitch County Recorder
Requested by **Mt. View Title**

TRUST DEED
With Assignment of Rents

THIS TRUST DEED is made as of the 5th day of December, 2002, by LEGACY RANCHES, L.L.C., a Utah limited liability company, whose address is Post Office Box 3268, Park City, Utah 84060, as TRUSTOR; to GARY W. NIELSEN, Attorney at Law, as TRUSTEE, whose address is 4970 North 400 West, Park City, Utah 84098; in favor of WHALE INVESTMENTS, LTD., a Turks and Caicos company, whose address is Post Office Box 209, Providenciales, Turks and Caicos Islands, British West Indies, Attention: Bruce Twa, Attorney At Law; as Beneficiary.

As used in this Trust Deed, each of the capitalized terms shall, except as otherwise expressly provided for in this Trust Deed, have the same definition as set forth in that certain Commercial Loan Agreement and/or the Promissory Note executed concurrently herewith to Beneficiary by Trustor, S.B. Ferrin Enterprises, L.L.C., and Brent A. Ferrin.

WITNESSETH: That Trustor CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, the parcel of real property (the "Property") situated in Rich and Cache Counties, State of Utah, particularly described in Exhibit "A" annexed hereto.

Ent **806846** Bk **1171** Pg **831**
Date 11-Dec-2002 10:26AM Fee \$36.00
Michael Glead, Rec. - Filed By DP
Cache County, UT
For MOUNTAIN VIEW TITLE

TOGETHER with all buildings, fixtures and improvements thereon, if any, and all water rights (including, without limitation, Water Rights #23-613, #23-615, #23-616, #23-1830, #23-2047, #23-2048, #23-2049, #23-2091, #23-2798, #25-4202, and #25-4601), rights of way, easements, rents, issues, royalties, profits, income, tenements, hereditaments, privileges and appurtenances thereunto belonging, now or hereafter existing, used or enjoyed with the Property, or any part thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, royalties and profits;

FOR THE PURPOSE OF SECURING: (1) payment of the indebtedness evidenced by a Promissory Note ("Note") of even date herewith, in the Principal sum of ONE MILLION SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$1,750,000.00), made by Trustor, payable to the order of Beneficiary at the 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 covenant and agreement of Trustor contained in the Note, this Trust Deed, and the other Loan Documents; (3) the payment of such additional loans or advances as hereafter may be made to Trustor, or Trustor's 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 additional sums expended or advanced by Beneficiary and all charges and fees arising under or pursuant to the terms of the Note or this Trust Deed, together with interest thereon at the Alternative Rate. (Such obligations are herein referred to, collectively, as the "Indebtedness".) Ent 806846 Bk 1171 Pg 832

TO PROTECT THE SECURITY OF THIS TRUST DEED, TRUSTOR AGREES:

1. General. To keep the Property in good condition and repair; not to remove or demolish any improvements thereon, to complete or restore promptly and in good and workmanlike manner any improvements which 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 upon the Property in violation of law; to do all other acts which from the character or use of the Property may

be reasonably necessary. Trustee, upon presentation to Trustee of an affidavit signed by Beneficiary, setting forth facts showing a default by Trustor under this numbered paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

2. Insurance. Notwithstanding any other provision of the Note or this Trust Deed, to at all times, until the Note and any other Indebtedness is paid in full and this Trust Deed is reconveyed, provide, maintain and keep in force the following policies of insurance:

(a) Fire and Extended Coverage in the full replacement value of all improvements on the Property, with Beneficiary named as Loss Payee thereon.

(b) General commercial comprehensive liability insurance, with broad form endorsement (or its equivalent), insuring Trustor, and naming Beneficiary as an additional insured, against any and all liability in connection with the Property encumbered by this Trust Deed, in an amount of not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00), per occurrence, and annual combined single limit for bodily injury liability and property damage in an amount of not less than ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00).

(c) Such other type or types of insurance on the Property or any improvements erected or placed thereon, with loss payable clauses in favor of and in form acceptable to Beneficiary, as Beneficiary may reasonably require from time to time. In the event of loss, Trustor shall give immediate notice to Beneficiary, who may make proof of loss, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary, instead of to Trustor and Beneficiary jointly, and the insurance proceeds, or any part thereof, may be applied by Beneficiary, at its option, to reduction of the Indebtedness or to the restoration or repair of the property damaged.

(d) All insurance policies shall require thirty (30) days' written notice to Beneficiary before cancellation or modification and shall be carried in companies with ratings reasonably acceptable to Beneficiary.

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3. Evidence of Title. To deliver to, pay for, and maintain with Beneficiary until the Indebtedness is paid in full, such evidence of title as Beneficiary may require, including abstracts of title or policies of title insurance and any extensions or renewals thereof or supplements thereto.

4. Legal Proceedings. To appear in and defend any action or proceeding purporting to affect 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 of title and attorney's fees, incurred by Beneficiary or Trustee.

5. Tax Payments. To pay at least ten (10) days before delinquency all taxes and assessments affecting the Property, including all assessments upon 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, which at any time appear to be prior or superior to this Trust Deed; and to pay all costs, fees, and expenses of this Trust.

6. **Trustor's Default.** 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, Beneficiary or Trustee being authorized to enter upon the Property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights of 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 to this Trust Deed; and in exercising any such powers, incur any liability, expend whatever amounts may be deemed necessary therefor in the absolute discretion of Beneficiary or Trustee, including the costs of evidence of title, employing counsel, and paying Beneficiary's or Trustee's reasonable fees.

7. **Payment of Advances by Beneficiary.** To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the Alternate Rate until paid, and the repayment thereof shall be secured hereby.

IT IS MUTUALLY AGREED THAT:

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8. **Condemnation and Catastrophic Damage.** 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 attorney's 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. **Trustee's Actions Regarding the Property.** At any time and from time to time upon written request of Beneficiary, payment of Trustee's fees and presentation of this Trust Deed and the Note for endorsement (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) 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 truthfulness thereof. Trustor agrees to pay reasonable Trustee's fees for any of the services mentioned in this paragraph.

10. **Additional Security.** As additional security, Trustor hereby assigns to Beneficiary, during the continuance of these trusts, all rents, issues, royalties, and profits of the Property 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 moneys shall cease and Beneficiary shall have the right, with or without taking possession of the Property, 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 moneys 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. **Trustor's Default.** Upon any default by Trustor hereunder or in the event of a default under the Note, or any of the other Loan Documents, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, with bond hereby waived by Trustor and Trustor hereby consenting to the appointment of Beneficiary, or such other person or entity designated by Beneficiary, as such receiver, and without regard to the adequacy of any security for the Indebtedness, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect said rents, issues, royalties, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any Indebtedness secured hereby, and in such order as Beneficiary may determine.

12. **Exercise of Remedies.** The entering upon and taking possession of the Property, the collection of such rents, issues, royalties, 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. **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 of Beneficiary of any default shall not constitute a waiver of any other or subsequent default.

14. **Acceleration.** Time is of the essence hereof. Upon default by Trustor in the payment of any Indebtedness 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 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. Beneficiary also shall deposit with Trustee the Note and all documents evidencing expenditures secured hereby.

15. **Sale of Property.** After the lapse of such time as may then be required by law following the recordation of a 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 said notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any 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 auction 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 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 forty-five (45) days beyond the time 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 facts 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 (1) the costs and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's and attorney's fees; (2) cost of any evidence of title procured in connection with such sale and any revenue stamps on the Trustee's Deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at the Alternate Rate from date of expenditure; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in the Trustee's discretion, may deposit the balance of such proceeds with the County Clerk of the county in which the sale took place.

16. **Foreclosure as a Mortgage.** Upon 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 proceeding all costs and expenses incident thereto, including a reasonable attorney's fee in such amount as shall be fixed by the court.

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17. **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 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. **Defaults.** Notwithstanding any other provision of the Note or this Trust Deed, the occurrence of any one or more of the following shall constitute an event of default ("Event of Default") by Trustor under this Trust Deed and the Note:

(a) Trustor, shall fail to pay any installment of Interest or Principal when due, or Trustor shall fail to pay any other monetary sums when due and such failure to pay any other monetary sums shall continue uncured for a period of ten (10) Banking Days after written notice of such failure has been given to Trustor by Beneficiary; or

(b) Trustor shall fail to perform or observe any other material term, covenant or agreement of any of the Loan Documents on its part to be performed or observed [other than the failure to make a payment described in subparagraph (a) above] and any such failure shall remain unremedied for thirty (30) days after written notice of such failure has been given to Trustor by Beneficiary, or if such failure is not of the type which can be remedied within such thirty (30) day period, Trustor, after the expiration of such period without cure, shall fail to use its best efforts to effect a remedy and cure; or

(c) The occurrence of any breach or default by Trustor under any covenant, condition, restriction or provision contained in the Note, this Trust Deed, or any of the other Loan Documents or under any covenant, condition, restriction, agreement, contract, mortgage, or trust deed, which is or may be prior to this Trust Deed, and any such

breach or default shall remain unremedied after expiration of the applicable cure period stated in the particular document; or

(d) Any representation or warranty in any Loan Document or in any certificate, agreement, instrument or other document made or delivered pursuant to or in connection with any Loan Document, proves to have been incorrect when made in any respect that is, in the sole discretion of Beneficiary, materially adverse to the interests of Beneficiary under the Loan Documents; or

(e) Any Loan Document, at any time after its execution and delivery and for any reason, ceases to be in full force and effect or is declared to be null and void by a court of competent jurisdiction, or the validity or enforceability thereof is contested in a judicial proceeding by Trustor or other Persons, or Trustor or other Persons denies that it has any or further liability or obligations under any Loan Document, unless all obligations of Trustor under the Loan Documents have been fully paid and performed; or

(f) Any lien or security interest created by any Loan Document, at any time after the execution and delivery thereof and for any reason, ceases or fails to constitute a valid, perfected and subsisting lien or security interest in and to the Property and/or other Collateral; or

(g) Trustor, or any guarantor of Trustor, is the subject of an order for relief by the bankruptcy court or is unable, or admits in writing its or his inability, to pay its or his debts as they mature, or makes an assignment for the benefit of creditors, or is subject to the following:

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(i) the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, or similar officer for it or his or for all or any part of its or his property, with or without consent, as the case may be, and the appointment continues undischarged or unstayed for seventy-five (75) days; or

(ii) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation, or similar proceedings relating to it or his or all or any part of its or his property under the laws of any jurisdiction, with or without its or his consent, as the case may be, which continues undismissed or unstayed for seventy-five (75) days; or

(iii) any judgment, writ, attachment, execution or similar process issued or levied against all or any part of its or his property, which is not released, vacated or fully bonded within seventy-five (75) days after its issuance or levy; or

(h) Beneficiary fails to have a legal, valid, binding and enforceable first priority lien on the Property.

(i) A default or an Event of Default occurs under the provisions of any contract or commitment regarding or made in connection with the Property or any of the improvements thereto, including, without limitation, the other Loan Documents.

19. Transfer of Property. Upon the sale or transfer of some part or all of, or any interest in, the Property or the membership interests in Trustor, Beneficiary may, at Beneficiary's option, declare all the sums secured by this Trust Deed to be immediately due and payable. If Beneficiary exercises such option to accelerate, Beneficiary shall mail

Trustor notice of acceleration in accordance with the notice provisions of this Trust Deed. Such notice shall provide a period of not less than ten (10) days from the date the notice is mailed within which Trustor may pay the sums declared due. If Trustor fails to pay such sums, Beneficiary may, without further notice or demand on Trustor, invoke any remedies permitted by either this Trust Deed or the other Loan Documents.

20. Additional Agreements and Covenants. Notwithstanding anything to the contrary in the Note, this Trust Deed, or the other Loan Documents, Trustor and Beneficiary agree as follows:

(a) In the event that Trustor shall default in or fail to perform any of its obligations under the Loan Documents, Beneficiary shall have the right, but not the duty, without limitation upon any of Beneficiary's rights pursuant thereto, to perform the same, and Trustor agrees to pay to Beneficiary, on demand, all advances, costs and expenses made or incurred by Beneficiary in connection therewith, including, without limitation, reasonable attorneys' fees, together with Interest at the Alternate Rate from the date of expenditure to the date of payment.

(b) Beneficiary shall have the right to commence, appear in and defend any action or proceeding purporting to affect the rights or duties of the parties hereunder or the payment of any funds, and in connection therewith Beneficiary may pay necessary expenses, employ counsel, and pay reasonable attorney's fees. Trustor agrees to pay to Beneficiary, on demand, all costs and expenses incurred by Beneficiary in connection therewith, including, without limitation, reasonable attorney's fees, together with Interest at the Alternate Rate from the date of expenditure to the date of payment.

(c) Trustor acknowledges and agrees that:

(1) Beneficiary neither undertakes nor assumes any responsibility or duty to Trustor or any other person with respect to the Property or any part thereof or the Loan, except as expressly provided in the Loan Documents, and notwithstanding any other provision in the Loan Documents:

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(i) Beneficiary is not, and shall not be construed as, a partner, joint venturer, alter ego, manager, controlling person, or other business associate or participant of any kind of Trustor, and Beneficiary does not intend to ever assume such status;

(ii) Beneficiary shall in no event be liable for any debts, expenses or losses incurred or sustained by Trustor and any other Persons in connection with the Loan Documents; and

(iii) Beneficiary shall not be deemed responsible for or a participant in any acts, omissions or decisions of Trustor and any other Persons in connection with the Loan Documents; and

(2) Beneficiary shall not be directly or indirectly liable or responsible for any loss, claim, cause of action, liability, indebtedness, damage or injury of any kind or character to any person or property arising from any activity or use of the Property or any part thereof, including, without limitation, any losses, claim, cause of action, liability, indebtedness, damage or injury caused by, or arising from (i) any defect in improvements to the Property, including, without limitation, any building, structure,

breach or default shall remain unremedied after expiration of the applicable cure period stated in the particular document; or

(d) Any representation or warranty in any Loan Document or in any certificate, agreement, instrument or other document made or delivered pursuant to or in connection with any Loan Document, proves to have been incorrect when made in any respect that is, in the sole discretion of Beneficiary, materially adverse to the interests of Beneficiary under the Loan Documents; or

(e) Any Loan Document, at any time after its execution and delivery and for any reason, ceases to be in full force and effect or is declared to be null and void by a court of competent jurisdiction, or the validity or enforceability thereof is contested in a judicial proceeding by Trustor or other Persons, or Trustor or other Persons denies that it has any or further liability or obligations under any Loan Document, unless all obligations of Trustor under the Loan Documents have been fully paid and performed; or

(f) Any lien or security interest created by any Loan Document, at any time after the execution and delivery thereof and for any reason, ceases or fails to constitute a valid, perfected and subsisting lien or security interest in and to the Property and/or other Collateral; or

(g) Trustor, or any guarantor of Trustor, is the subject of an order for relief by the bankruptcy court or is unable, or admits in writing its or his inability, to pay its or his debts as they mature, or makes an assignment for the benefit of creditors, or is subject to the following:

(i) the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, or similar officer for it or his or for all or any part of its or his property, with or without consent, as the case may be, and the appointment continues undischarged or unstayed for seventy-five (75) days; or

(ii) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation, or similar proceedings relating to it or his or all or any part of its or his property under the laws of any jurisdiction, with or without its or his consent, as the case may be, which continues undismissed or unstayed for seventy-five (75) days; or

(iii) any judgment, writ, attachment, execution or similar process issued or levied against all or any part of its or his property, which is not released, vacated or fully bonded within seventy-five (75) days after its issuance or levy; or

(h) Beneficiary fails to have a legal, valid, binding and enforceable first priority lien on the Property.

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(i) A default or an Event of Default occurs under the provisions of any contract or commitment regarding or made in connection with the Property or any of the improvements thereto, including, without limitation, the other Loan Documents.

19. **Transfer of Property.** Upon the sale or transfer of some part or all of, or any interest in the Property or any membership interest in Trustor, Beneficiary may, at Beneficiary's option, declare all the sums secured by this Trust Deed to be immediately due and payable. If Beneficiary exercises such option to accelerate, Beneficiary shall mail

Trustor notice of acceleration in accordance with the notice provisions of this Trust Deed. Such notice shall provide a period of not less than ten (10) days from the date the notice is mailed within which Trustor may pay the sums declared due. If Trustor fails to pay such sums, Beneficiary may, without further notice or demand on Trustor, invoke any remedies permitted by either this Trust Deed or the other Loan Documents.

20. Additional Agreements and Covenants. Notwithstanding anything to the contrary in the Note, this Trust Deed, or the other Loan Documents, Trustor and Beneficiary agree as follows:

(a) In the event that Trustor shall default in or fail to perform any of its obligations under the Loan Documents, Beneficiary shall have the right, but not the duty, without limitation upon any of Beneficiary's rights pursuant thereto, to perform the same, and Trustor agrees to pay to Beneficiary, on demand, all advances, costs and expenses made or incurred by Beneficiary in connection therewith, including, without limitation, reasonable attorneys' fees, together with Interest at the Alternate Rate from the date of expenditure to the date of payment.

(b) Beneficiary shall have the right to commence, appear in and defend any action or proceeding purporting to affect the rights or duties of the parties hereunder or the payment of any funds, and in connection therewith Beneficiary may pay necessary expenses, employ counsel, and pay reasonable attorney's fees. Trustor agrees to pay to Beneficiary, on demand, all costs and expenses incurred by Beneficiary in connection therewith, including, without limitation, reasonable attorney's fees, together with Interest at the Alternate Rate from the date of expenditure to the date of payment.

(c) Trustor acknowledges and agrees that:

(1) Beneficiary neither undertakes nor assumes any responsibility or duty to Trustor or any other person with respect to the Property or any part thereof or the Loan, except as expressly provided in the Loan Documents, and notwithstanding any other provision in the Loan Documents:

(i) Beneficiary is not, and shall not be construed as, a ^{Ent. 806846 Bk 1171 Pg 840} partner, joint venturer, alter ego, manager, controlling person, or other business associate or participant of any kind of Trustor, and Beneficiary does not intend to ever assume such status;

(ii) Beneficiary shall in no event be liable for any debts, expenses or losses incurred or sustained by Trustor and any other Persons in connection with the Loan Documents; and

(iii) Beneficiary shall not be deemed responsible for or a participant in any acts, omissions or decisions of Trustor and any other Persons in connection with the Loan Documents; and

(2) Beneficiary shall not be directly or indirectly liable or responsible for any loss, claim, cause of action, liability, indebtedness, damage or injury of any kind or character to any person or property arising from any activity or use of the Property or any part thereof, including, without limitation, any losses, claim, cause of action, liability, indebtedness, damage or injury caused by, or arising from (i) any defect in improvements to the Property, including, without limitation, any building, structure,

grading, fill, landscaping, or any other improvements thereon or in any on-site or off-site improvement or other facility therein or thereon; (ii) any act or omission of Trustor, or any of Trustor's agents, employees, independent contractors, licensees or invitees; (iii) any accident in or upon the Property or any part thereof or any fire, flood or other casualty or hazard thereon; (iv) the failure of Trustor, any of Trustor's licensees, employees, invitees, agents, independent contractors, or other representatives to maintain the Property or any part thereof in a safe condition; and (v) any nuisance made or suffered on any part of the Property.

(d) Trustor agrees to protect, defend, indemnify, save and hold harmless Trustee and Beneficiary and their respective shareholders, officers, directors, general partners, members, present and future affiliates, trustees, consultants, agents and employees from any and all losses, damages, including foreseeable and unforeseeable consequential damages (whether general, punitive or otherwise), liabilities, claims, defects in title, causes of action, judgments, liens, penalties, fines, court costs and legal or other expenses, including reasonable attorneys' fees, which Beneficiary or Trustee may suffer or incur as a direct or indirect consequence of (a) Beneficiary's exercise or failure to exercise any rights, remedies or powers in connection with this Trust Deed or any of the other Loan Documents, but excluding charges and assessments by Governmental Agencies imposed upon Beneficiary in the normal course of Beneficiary's business; (b) Trustor's ownership of the Property; (c) the occurrence of an Event of Default and/or Trustor's failure to perform any of Trustor's obligations as and when required by this Trust Deed or any of the other Loan Documents, including, without limitation, any failure, at any time, of any representation or warranty of Trustor or other Persons to be true and correct and any failure by Trustor to satisfy any condition; (d) all foreseeable and unforeseeable consequential damages, directly or indirectly arising out of the use, generation, storage, disposal, release or threatened release of hazardous wastes or substances by Trustor, any operator of the Property, any subcontractor, materialman or any other person whomsoever, including, without limitation, the cost of any required or necessary repair, cleanup or detoxification and the preparation of any closure or other required plans, whenever such action is or may be required or necessary (for purposes of this Trust Deed, the terms "disposal", "release", "threatened release", "hazardous substances", and "hazardous waste" shall have the meanings assigned thereto by the Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sect. 9601 *et seq.*, as amended, and in the regulations adopted and publications promulgated pursuant to such law, including, without limitation, the Superfund Amendment and Reauthorization Act of 1986, Pub. L. No. 99-499, 100 Stat. 1613 (1986), and all other federal, state or local laws, statutes, regulations or ordinances related thereto); or (e) any accident, injury, death or damage to any person or property occurring in, on or about the Property. Trustor's obligation under this paragraph shall not be affected by the absence or unavailability of insurance covering the particular matter or by the failure or refusal of any insurance carrier to perform any obligation on its part under any such policy of insurance. If any claim, action or proceeding is made or brought against Beneficiary and/or Trustee which is subject to Trustor's obligations under this paragraph, Trustor shall resist or defend against same, if necessary, in the name of Beneficiary and/or Trustee, by attorneys for Trustor's insurance carrier (if the same is covered by insurance) and reasonably approved by Beneficiary and/or Trustee, or otherwise by attorneys retained by Trustor and reasonably approved by Beneficiary and/or Trustee. Trustor's obligations under this paragraph shall survive the release and cancellation of the Note and the release and reconveyance of the Trust Deed.

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21. **Binding Effect.** This Trust Deed shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors

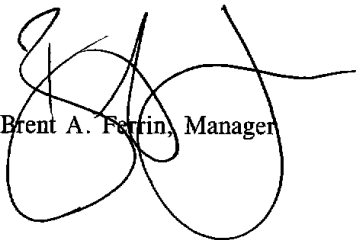
and permitted assigns. All obligations of Trustor hereunder are joint and several. The term "Beneficiary" shall include the owner and holder, including any pledgee, of the Note. In this Trust Deed, whenever the context requires, the masculine gender includes feminine and/or neuter, and the singular number includes the plural.

22. Effectiveness on Trustee. Trustee accepts this Trust when 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 or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

23. Applicable Law. This Trust Deed shall be construed according to the laws of the State of Utah.

24. Notice of Default. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address hereinbefore set forth.

LEGACY RANCHES, L.L.C., a Utah limited liability company

By  Brent A. Ferrin, Manager

STATE OF UTAH)
: ss.
SUMMIT COUNTY)

Ent **806846** Bk **1171** Pg **842**

On the 10th day of December, 2002, personally appeared before me BRENT A. FERRIN, whose identity is personally known to me (or proved to me on the basis of satisfactory evidence) and who by me duly sworn, did say that he is the Manager of LEGACY RANCHES, L.L.C., a Utah limited liability company, and that the foregoing instrument was signed by him on behalf of said limited liability company by authority of its Articles of Organization and Operating Agreement and said BRENT A. FERRIN acknowledged to me that said limited liability company executed the foregoing instrument.



NOTARY PUBLIC
SYDNEY O. MICHAU
1375 Deer Valley Dr., #210
P.O. Box 3268
Park City, Utah 84090
Comm. Exp. April 7, 2006
STATE OF UTAH


Notary Public

EXHIBIT "A"**Legal Description**

RICH COUNTY, STATE OF UTAH:

PARCEL 1:

ALL OF SECTION 13, TOWNSHIP 9 NORTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN.

PARCEL 2:

EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER AND THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 9 NORTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN.

PARCEL 3:

ALL OF SECTION 25, TOWNSHIP 9 NORTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, LESS HIGHWAY ROAD RIGHT-OF-WAY.

PARCEL 4:

SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 9 NORTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN.

PARCEL 5:

PART OF SECTION 35, TOWNSHIP 9 NORTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN. ALL OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 35 LYING NORTH OF HIGHWAY 39 AS SITUATED IN SAID NORTHWEST QUARTER. ALL OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 35 LYING NORTH OF HIGHWAY 39 AS SITUATED IN SAID SOUTHEAST QUARTER. NORTHEAST QUARTER OF SAID SECTION 35, TOWNSHIP 9 NORTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN.

Ent **806846** Bk **1171** Pg **843**

PARCEL 6:

PART OF SECTION 36, TOWNSHIP 9 NORTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN. ALL OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 36. ALL OF THE EAST HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SAID

SECTION 36. ALL OF THE NORTHWEST QUARTER OF SAID SECTION 36 LYING NORTH OF HIGHWAY 39 AS SITUATED IN SAID NORTHWEST QUARTER. ALL OF THE NORTHEAST QUARTER OF SAID SECTION 36, EXCEPTING THEREFROM THAT PORTION OF REAL PROPERTY CONVEYED TO NORTH DAVIS CABINET CORPORATION BY DEED RECORDED IN BOOK M9 AT PAGE 295 OF RECORDS OF RICH COUNTY. LESS HIGHWAY ROAD RIGHT-OF-WAY.

PARCEL 8:

THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 9 NORTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN.

CACHE COUNTY, STATE OF UTAH:

Ent **806846** Bk **1171** Pg **844**

PARCEL 7:

ALL OF SECTION 16, TOWNSHIP 9 NORTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN, LESS THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 16.

TAX SERIAL NOS.: 16-13-00-001; 16-24-00-001; 16-25-00-001;
16-26-00-005; 16-35-00-005; 16-35-00-007;
16-35-00-008; 16-35-00-005; AND 16-105-
0003.