

Official Record

Recording requested By
TICOR TITLE OF NEVADA INC

Eureka County - NV

Mike Rebaleati - Recorder

Fee: \$25.00 Page 1 of 12
RPTT Recorded By: FES
Book- 0451 Page- 0261

APN #: Eureka 05-120-05, 05-140-06, 04-360-01,
04-370-12, 04-370-15, 04-290-16, 04-390-08, 04-360-
04, 04-370-06

Escrow No.: 07000087 SH
Title No. 07010051

RECORDING REQUESTED BY:

Ticor Title of Nevada, Inc.
5441 Kietzke Lane, Suite 100
Reno, NV 89511

WHEN RECORDED MAIL TO:

Trust Financial, a Mortgage Company
13300 Old Blanco Road Ste. 321
San Antonio, TX 78216

MAIL TAX STATEMENTS TO:

Trust Financial
13300 Old Blanco Road Ste. 321
San Antonio, TX 78216



0207708

FOR RECORDER'S USE ONLY

Deed of Trust, Security Agreement and Fixture Filing
Title of Document

Please complete Affirmation Statement below:

I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030)

-OR-

I the undersigned hereby affirm that the attached document, including any exhibits, hereby submitted for recording does contain the social security number of a person or person as required by law: _____

(State specific law)

Signature

Escrow Assistant
Title

Megan Wolowice
Print Signature

Assessor's Parcel No. _____

When Recorded, Mail to:

**DEED OF TRUST, SECURITY AGREEMENT
AND
FIXTURE FILING**

This Deed of Trust, Security Agreement and Fixture Filing ("Deed of Trust"), made and entered into by and between **RLF NEVADA PROPERTIES, LLC**, a Colorado limited liability company, as grantor, 523 South Cascade Avenue, Suite E, Colorado Springs, Colorado 80903, hereinafter called the "first party", and Bruce R. Coleman, as trustee, hereinafter called the "second party" or the "Trustee", and **Trust Financial, A Mortgage Company, L.L.C.**, a Texas limited liability company, as beneficiary, 13300 Old Blanco Road, Suite 321, San Antonio, Texas 78216, hereinafter called the "third party";

Witnesseth: That, for valuable consideration, the receipt of which is hereby acknowledged by first party, and the debt and trusts hereinafter mentioned, the said first party has granted, bargained and sold, and does hereby grant, bargain, sell, convey, and confirm unto said second party, as Trustee, and to any successor trustee, in trust, with power of sale, for the benefit of third party, the following described real estate located in Elko, Eureka, Humboldt, Lander and Pershing Counties, State of Nevada, which is more particularly described in Exhibit "A" attached hereto and made a part hereof.

Together with all crops grown thereon;

Together with all and singular the tenements, hereditaments, privileges and appurtenances, now or hereafter located upon or belonging to or in anywise appertaining to the above described property, or any part thereof; all water and water rights appurtenant thereto or used in connection therewith, including, but not limited to, all applications, permits and certificates pertaining to such property which are on file with the State Engineer, all ditches and ditch rights, all pipe line rights, all reservoirs and reservoir rights, and all range rights, now or hereafter belonging or in anywise appertaining to the property described above, or any part thereof, or now or hereafter owned or used by the first party in connection with the irrigation or drainage of said property, or

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any part thereof, or for stock watering or domestic purposes thereon, whether such rights are evidenced by shares of stock, contracts, permits, licenses, or in any other manner; and all buildings, structures, fences, corrals, pipes, pipe lines, wells, tanks, dams, reservoirs, dikes, embankments, and other water developments, storage or conservation facilities and structures, and all other improvements, of every kind and character, now or hereafter located on said property, including, but not limited to, all windmills, pumps and pumping equipment used for or in connection with the irrigation or drainage of said property, or any part thereof, or for stock watering or domestic purposes thereon, and all motors, engines and devices for the operation of said windmills, pumps and other equipment.

To Have and to Hold the real estate above described, together with all the hereditaments and appurtenances thereunto belonging or in any wise appertaining, and all improvements unto said second party, and any successor trustee, in fee simple forever.

For the purpose of facilitating the recording hereof, this Deed of Trust has been executed in five counterparts, each of which shall be and shall be taken to be an original, and all of which together or any one thereof shall be deemed to constitute but one and the same instrument.

The first party hereby covenants that it is lawfully seized in fee of the real estate herein described, and has good right to sell and convey the same, and that the same is free from all encumbrances except for matters of record as shown on the commitment for title insurance issued to third party in connection with this transaction, and hereby covenants and binds itself, its successors and assigns, to forever defend the title thereto against the lawful claims of all persons.

First party represents to third party that no part of the property is exempt as homestead from forced sale under applicable laws.

This is a Deed of Trust, and it is made for the following uses and purposes and none other:

The said first party is indebted to the said third party, or the holder of the Note hereinafter mentioned in the sum of Three Million Eight Hundred Fifteen Thousand Dollars (\$3,815,000.00), evidenced by one certain Promissory Note (the "Note") for the said principal sum bearing even date herewith executed by the first party for the said principal sum herewith and is payable to third party in installments, the final installment due on January 1, 2017, as set out in said Note, which is by reference made a part of the Deed of Trust, and payable to the order of Trust Financial, A Mortgage Company, L.L.C. at its office, 13300 Old Blanco Road, Suite 321, San Antonio, Texas 78216, or at such other place as the holder thereof may designate in writing, together with interest thereon from date of funding until maturity at the rate as shown in said Note.

And the first party desires to secure and does hereby secure and make certain the payment of said Note, and any and all extensions and renewals thereof by the security interest granted under this

Deed of Trust, and now, therefore, the first party hereby covenants and agrees with the second party and third party as follows:

The first party hereby unconditionally and absolutely assigns to the second party all rights, royalties, bonuses, rents, and benefits accruing under all oil, gas, mineral, or other leases on said real estate; provided, however, that all such rights, royalties, bonuses, rents and benefits are to be paid to first party until demand therefor is made of the legal holder(s) of such lease(s), evidenced by written notice that first party is in default under the terms of this Deed of Trust or the Note or another document securing the Note and that such rights, royalties, bonuses, rents and benefits are to be paid to third party at a place to be designated in such notice. If any such default is timely cured, however, all assigned payments shall continue to be paid to first party. This assignment shall terminate and become void upon the full reconveyance of this Deed of Trust.

The first party hereby agrees to pay all taxes, assessments, and charges, general or special, of every character which are now due or which may hereafter become liens on said real estate, same to be paid before they become delinquent. If not paid before they become delinquent, third party may pay such taxes, liens or assessments, and recover the same from the first party, with a reasonable attorney's fee incurred in the collection thereof, and this Deed of Trust shall stand as security therefor, together with interest at the default rate stated in said Note from the date of payment.

And it is further mutually covenanted and agreed that in the event of the passage, after the date of this Deed of Trust, of any law deducting any lien thereon from the value of land for the purpose of taxation, or changing in any way the laws now in force for the taxation of deeds of trust or debts secured by deed of trust or the manner of the collection of any such taxes, so as to affect this Deed of Trust, then, and in any such event, the first party, upon demand by the third party, shall pay such taxes or assessments or reimburse the third party therefor; provided, however, that if in the opinion of counsel for the third party (a) it might be unlawful to require the first party to make such payment, or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in any such event, the third party may elect, by notice in writing given to the first party, to declare the whole of the principal sum secured by this Deed of Trust, together with the interest due thereon, to be and become due and payable ninety (90) days from the giving of such notice.

The first party hereby agrees to keep all buildings, fences, and other improvements on said real estate in as good repair and condition as the same are in at this date, reasonable wear and tear and damage by the elements excepted, and to permit no waste, and especially no cutting of timber except for the actual needs of the property, and to sell no timber without the written consent of the third party or assigns.

The first party hereby agrees to keep all buildings on said premises and all buildings which may hereafter be put upon said real estate constantly insured against loss by fire and windstorm in some responsible company or companies, approved by the third party, for their insurable value

with the regulation mortgagee's subrogation clause attached, and deliver the policy or policies and renewal receipts therefor to said third party. In the event of loss, the proceeds of such insurance shall be used first to pay the cost of collecting such proceeds, if any, and then to repair and/or restore the damaged or destroyed improvements, provided that first party proposes a plan for restoration and/or repair that is reasonably acceptable to third party; otherwise third party may apply any such moneys so collected, less the cost of collecting same, either toward the payment of the principal debt, whether due or not, and interest then accrued thereon, or in restoring the buildings, at the option of said third party. In case of failure to keep all such buildings so insured, the third party, or its assigns may at its option effect such insurance and the amount paid therefor shall be collectible from the first party, with interest at the default rate stated in said Note, and this Deed of Trust shall stand as security therefor.

To the best of its actual knowledge, first party hereby represents and warrants to third party (i) that the premises encumbered by the Deed of Trust does not have stored or contained on it any waste, asbestos, oil or petroleum hydrocarbons except as previously disclosed to third party in writing, pesticides or toxic or hazardous substances or any such materials, including such materials in underground storage tanks, other than those pesticides, herbicides and other agricultural chemicals, or products customarily used in agricultural and commercial operations of the type currently conducted by first party on such premises; (ii) that first party has never been and is not now party to any litigation or administrative proceedings and none is presently threatened, which asserts or alleges that first party violated any federal, state or local environmental law, statute, or regulation or the common law of any state pertaining to the condition or use of real property; (iii) that neither first party nor such premises is or has been subject to any judgment, decree, order or citation related to or arising out of any federal, state or local environmental law, statute, or regulation; (iv) as to all operations, including but not limited to the use of the pesticides, herbicides, other agricultural chemicals and oil or petroleum hydrocarbons so used in agricultural and commercial operations on such premises, that during all previous times, and in the future times while this Deed of Trust remains in effect, first party has been and will be in compliance with all present and future federal, state and local environmental statutes, regulations, and ordinances and have and will secure and hold all applicable licenses and permits. In the event that third party reasonably believes that any of the statements in clauses (i) - (iv) of the preceding sentence are untrue in any material respect, first party shall, if required by third party, have an engineer satisfactory to third party perform an environmental investigation of such premises including but not limited to soil and ground-water analysis if deemed necessary by the engineer, to determine the existence and levels of hazardous substances on such premises, and assess compliance with all applicable federal, state and local environmental laws, statutes and regulations. First party hereby further represents and warrants to third party that it has not caused or permitted and first party will not hereafter cause or permit (i) the use of such premises for any of (a) a sanitary land fill, (b) a dump, or (c) disposal of waste, oil or petroleum hydrocarbons, pesticides or toxic or hazardous substances as defined in any federal, state or local environmental law, statute or regulation of any kind, (ii) the deposit or location in, under or upon such premises or any adjacent parcels thereto of any such waste, oil, pesticides, substances or materials in violation of any applicable federal, state or local environmental law, statute or regulation, or (iii)



the contamination by any such waste, oil or petroleum hydrocarbons, pesticides, substances or materials of any part of such premises or any adjacent parcels thereto, including ground water located thereon. All toxic or hazardous substances or materials, or oil or petroleum hydrocarbons as defined in any federal, state or local environmental law, statute or regulation, which have been or may be used by any person for any purpose upon the premises encumbered hereby have been and shall be used or stored thereon only in a safe, approved manner, in accordance with all industrial standards and all laws, regulations and requirements for such storage promulgated by any governmental authority. Such premises will not hereafter be used for the purpose of storing such substances for any use other than normal business operations and no such storage or use will hereafter otherwise be allowed on such premises or any adjacent parcels thereto in such a manner which will cause, or which will increase the likelihood of causing, the release of such substances onto such premises or any adjacent parcels thereto. First party agrees to provide the third party copies of the following immediately upon receipt of any correspondence, notice, pleading, citation, complaint, order, decree or other documents from any source (public entity or private actual or potential litigant) asserting or alleging a circumstance or condition in violation of any federal, state or local environmental law, statute or regulation or the common law of any state pertaining to the use or condition of real property. First party shall protect, defend, indemnify and hold third party harmless from and against all loss, cost (including attorneys' fees), liability, damage, claim or obligation, whenever asserted or brought, known or unknown, (i) arising in connection with or resulting from any breach of warranty, misrepresentation or nonfulfillment of any agreement by first party herein, (ii) based upon or otherwise resulting from an alleged or claimed violation of any federal, state or local environmental law, regulation or ordinance, or common law of any state, including but not limited to any tort claims, that pertain or relate in any respect or manner to the premises encumbered hereby, incurred by third party by reason of any violation of any applicable statute or regulation (whether such liability is to a private party or any government unit, state or federal), or (iii) by reason of the imposition of any governmental lien for the recovery of environmental cleanup costs expended by reason of such violation, without regard to fault on the part of the first party. This indemnity shall survive the termination of first party's indebtedness to third party and shall continue thereafter so long as third party is subject to any possible claim or threatened, pending or completed action, suit, or proceeding, whether civil, criminal or investigative, by a Federal, State or other governmental body or private party or parties, regarding the health, industrial hygiene, occupational or the environmental conditions on, under or about such premises.

That in case the third party, its successors or assigns shall hereafter appear in any of the land departments of the United States Government, or in any court or tribunal whatever, to defend the title or possession of the real estate encumbered by this Deed of Trust or the lien thereon, or appear in any court to prove the debt secured hereby, all the costs and expenses of such appearance, together with a reasonable attorney's fee shall be allowed the third party, its successors or assigns, and such costs, expenses, and attorney's fee shall bear interest at the default rate stated in said Note, from the date of payment by said third party, its successors or assigns, and shall be an additional lien upon such real estate, concurrent with and collected in the same



manner as the balance of the debt hereby secured. This covenant shall apply to bankruptcy and condemnation as well as all other actions and proceedings.

Upon full payment of all monies secured by this Deed of Trust and upon full compliance by first party with all of the terms and obligations of the Note and this Deed of Trust, this Deed of Trust shall be fully reconveyed by the noteholder at the expense of the first party.

If there is a default in any payment, or part thereof, under the Note, which default remains uncured ten (10) days after third party's service of written notice thereof upon first party, or if the first party shall fail to keep or perform any of the covenants, conditions or stipulations herein or in any agreement executed by first party in connection with the Note and such failure remains uncured thirty (30) days after third party's service of written notice thereof upon first party (or, if the failure cannot reasonably be cured within thirty (30) days, failure within such time to commence and pursue curative action with reasonable diligence, provided that in no event shall the period for cure exceed ninety (90) days), then the Note, together with all other sums secured hereby shall, at the option of the Noteholder, become at once due and payable without demand or notice other than that demand or notice provided for in this paragraph or by applicable law, and the Trustee when requested so to do by the Noteholder after such default, shall sell the property described herein in accordance with Chapter 107 of the Nevada Revised Statutes ("NRS") or in any other manner permitted by law. No notice of default and no opportunity to cure shall be required if during the prior twelve (12) months third party has already sent a notice to first party concerning default in performance of the same obligation.

The deed or deeds which shall be given by said Trustee to the purchaser or purchasers at such sale, shall be prima facie evidence of the truth of all recitals therein as to default in the payment of said note, or of interest due thereon, or of the sums thereunder and hereunder due, the request to the said Trustee to sell, the advertisement or posting of such sale, the proceedings at such sale, the facts, if any, authorizing a substitute Trustee to act in the premises, and everything necessary to the validity of such sale.

The first party specifically agrees that after any sale under this Deed of Trust it shall be a mere tenant at sufferance of the purchaser of said property at the Trustee's sale, and that the purchaser shall be entitled to immediate possession thereof, and that if the first party fails to vacate the premises immediately, the purchaser may, and he shall have the right to go into any justice court in the precinct or county in which the property is located and file an action in forcible detainer, which action shall lie against the first party as tenant at sufferance. This remedy is cumulative of any and all remedies the purchaser may have hereunder or otherwise.

The owner of the indebtedness hereby secured may become the purchaser at any sale hereunder and may enter a credit bid at such sale up to and including the amount of the indebtedness and other obligations then secured hereby. The taking of any additional security, execution of partial release of the security, or any extension of the time of payment of the indebtedness or renewal thereof shall not diminish the force, effect or lien of this instrument and shall not affect or impair



the liability of any maker, surety, or endorser for the payment of said indebtedness; that the third party shall have the right to release with or without consideration or credit on the indebtedness hereby secured any part of the property herein described by adequate legal instrument without regard to the existence of any junior encumbrance and without the consent of such junior encumbrancer, and such release shall have no further effect upon the rank, lien or estate conveyed hereby or against the third party than is therein expressed.

In case of the absence, dissolution, resignation, death, inability, or refusal of the said second party to act, or if the third party shall for any reason desire to remove the said second party, or his successors so appointed hereunder, and appoint a new Trustee instead, the third party, or the owner or the holder of the indebtedness hereby secured, is hereby granted full power to appoint in writing a substitute Trustee for the second party, and the substituted Trustee named therein shall be clothed with all the powers and charged with all the duties as if originally named Trustee hereunder; and likewise, third party shall have full power and authority to remove the second party and appoint a successor or successors or any succeeding Trustee or Trustees thereafter by instrument in writing, duly recorded in the county or counties where said real estate may be located in this State, and such succeeding Trustee or Trustees shall be vested with the title to the property in trust for the purposes and objects of these presents, with all the powers, duties, and obligations herein conferred on the second party, in the same manner and to the same effect as the Trustee herein named.

And the said first party does hereby absolutely ratify and confirm any and all acts that the Trustee or his successors in this Trust, may lawfully do in the premises by virtue hereof.

If all or any part of the property encumbered by this Deed of Trust be condemned or taken through eminent domain proceedings, all or such part of any award or proceeds thereof as the third party in its sole discretion may determine in writing, are hereby assigned and shall be paid to the third party and applied to the payment of the indebtedness secured hereby.

As additional security hereunder, the third party shall be subrogated to the lien although released of record, of any and all encumbrances paid out of the proceeds of the loan evidenced by the Note secured by this Deed of Trust. The third party, upon making such payments, shall be subrogated to all of the rights of the persons, corporations or body politic receiving such payments.

In the event the premises encumbered hereby, or any portion thereof, or any interest therein be sold, mortgaged, conveyed or encumbered by a deed of trust, or become subject to an agreement to sell, mortgage or convey or a deed of trust prior to the time the indebtedness secured hereby shall have been paid in full, then the entire indebtedness secured by this Deed of Trust shall at the option of the third party become due and payable. A sale, assignment or transfer in any manner whatsoever of fifty percent (50%) or more of the membership interests in the limited liability company which comprises the first party as of the date hereof shall be equivalent to a sale or conveyance of the premises encumbered hereby or an interest therein, and in that event the third party shall have the option to accelerate the entire indebtedness secured by this Deed of Trust.



Notwithstanding anything to the contrary contained in this paragraph, the first party shall have certain partial release rights relating to the encumbered premises which are more fully described in the Loan Agreement of even date herewith executed by the first party.

Plural or singular words used herein to designate the undersigned, the first party, shall be construed to refer to the maker or makers of this Deed of Trust, whether one or more persons or a corporation; and all covenants and agreements herein made by the undersigned shall bind the heirs, personal representatives, successors and assigns of the undersigned, and every option, right, and privilege herein reserved or secured to the third party shall inure to the benefit of its successors and assigns.

This Deed of Trust constitutes a security agreement within the meaning of the UCC and other applicable law with respect to all property encumbered hereby which is personal property ("Personalty"). To this end, first party, as debtor, grants to third party, as secured party, a first and prior security interest in the Personalty to secure the payment of the Note and payment and performance of the other obligations secured hereby, and agrees that third party shall have all the rights and remedies of a secured party under the UCC with respect to the Personalty. Any notice of sale, disposition or other intended action by third party with respect to the Personalty sent to first party at least fifteen (15) days prior to any action under the UCC shall constitute a commercially reasonable sale. First Party hereby irrevocably authorizes third party at any time and from time to time to file in any filing office in any jurisdiction one or more financing or continuation statements and amendments thereto, relative to all or any part of the Personalty, without the signature of first party as permitted by law. First party agrees to furnish third party, promptly upon request, with any information required by third party to complete such financing or continuation statements.

This Deed of Trust shall also constitute a "fixture filing" under the Uniform Commercial Code as adopted in the State of Nevada against all goods and other property encumbered hereby which are or are to become fixtures.

To the extent not inconsistent with the other provisions of this Deed of Trust, the following covenants, Nos. 1; 2 (full replacement value); 3; 4 (default rate under the Note); 5; 6; 7 (a reasonable percentage); 8 and 9 of NRS Section 107.030 are hereby adopted and made a part of this Deed of Trust.

Dated this ____ day of January, 2007.

RLF NEVADA PROPERTIES, LLC,
a Colorado limited liability company

By: James W Geisz
Name: James W Geisz
Title: Authorized Representative

State of Colorado
County of El Paso

This instrument was acknowledged before me on this 18th day of January, 2007 by James W. Geisz, as Authorized Representative of RLF Nevada Properties, LLC, a Colorado limited liability company.

Patricia Beiner
Notary Public
My Commission Expires: 3/4/2009

Patricia Beiner, Notary Public
State of Colorado
My Commission Expires 3/4/2009

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LEGAL DESCRIPTION

The land referred to herein is situated in the State of Nevada, County of Eureka, described as follows:

PARCEL 1 : (Eureka County)

TOWNSHIP 31 NORTH, RANGE 50 EAST, M.D.B.&M.

Section 1: All;

EXCEPTING THEREFROM all that portion of said land as conveyed to Western Pacific Railway Company in deed recorded February 20, 1909 in Book 16, Page 108, and in deed recorded April 26, 1909 in Book 16, Page 269, Deed Records, Eureka County, Nevada.

PARCEL 2 : (Eureka County)

TOWNSHIP 31 NORTH, RANGE 51 EAST, M.D.B.&M.

Section 7: All;

EXCEPTING THEREFROM all that portion of said land as conveyed to Western Pacific Railway Company in deed recorded February 20, 1909 in Book 16, Page 108, and in deed recorded April 26, 1909 in Book 16, Page 269, Deed Records, Eureka County, Nevada.

PARCEL 3: (Eureka County)

TOWNSHIP 32 NORTH, RANGE 51 EAST, M.D.B.&M.

Section 5: All;

Section 25: N1/2; SW1/4; W1/2SE1/4; SE1/4SE1/4;

EXCEPTING THEREFROM all that portion of said land as conveyed to Western Pacific Railway Company in deed recorded February 20, 1909 in Book 16, Page 108, and in deed recorded April 26, 1909 in Book 16, Page 269, Deed Records, Eureka County, Nevada.

Section 33: All;

PARCEL 4 : (Eureka County)

TOWNSHIP 33 NORTH, RANGE 51 EAST, M.D.B.&M.

Section 33: All;

PARCEL 5 : (Eureka County)

Continued on next page

TOWNSHIP 32 NORTH, RANGE 52 EAST, M.D.B.&M.

Section 19: All that portion lying northwesterly of
Highway 278.

EXCEPTING THEREFROM all that portion of said land as
conveyed to Western Pacific Railway Company in deed
recorded February 20, 1909 in Book 16, Page 108, and
in deed recorded April 26, 1909 in Book 16, Page 269,
Deed Records, Eureka County, Nevada.

PARCEL 6 : (Eureka County)

TOWNSHIP 32 NORTH, RANGE 51 EAST, M.D.B.&M.

Section 3: ALL;
Section 29: All;