

DOC # 0211691

03/04/2008

12:53 PM

Official Record

Recording requested By
STEWART TITLE CO

Eureka County - NV

Mike Rebaleati - Recorder

Fee \$44.00

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RPTT

Recorded By: FES

Book- 0469 Page- 0385

APN: 007-430-03; 007-430-04
007-370-47; 007-430-02
007-430-11; 007-430-10
007-430-09; 007-430-08
007-430-07

Recording Requested By
& Return to:

Stewart Title Company
Attn: Mike Rebaleati
1000 N. Main Street
Elko, NV 89801

The undersigned affirms that this document
does not contain a social security number.



0211691

DEED OF TRUST AND SECURITY AGREEMENT

THIS DEED OF TRUST, made this 2nd day of February, 2008, by and between DUGAN ENTERPRISES, LLC, a Nevada limited liability company, hereinafter called "Grantor"; STEWART TITLE OF NEVADA HOLDINGS, INC., a Nevada corporation, hereinafter called "Trustee", and RUBY HILL RANCH, LLC, a Nevada limited liability company, hereinafter called "Beneficiary", it being specifically understood that any and all references to the words "Grantor" and "Beneficiary" shall include masculine, feminine and neuter genders, and singular and plural, as indicated by the context and number of parties hereto.

WITNESSETH

That Grantor hereby grants, transfers and assigns to the Trustee in trust, with power of sale, all of the following described real property situate in the County of Eureka, State of Nevada, more particularly described as follows:

As per Exhibit "A" attached hereto.

SUBJECT TO any and all exceptions, reservations, restrictions, restrictive covenants, assessments, easements, rights and rights of way of record.

TOGETHER WITH all improvements of any name or nature situate thereon.

TOGETHER WITH the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversions and reversions, remainder and remainders, rents, issues and profits thereof.

TO HAVE AND TO HOLD the same unto said Trustee and its successors, in trust, to secure the performance of the following obligations, and payment of the following debts:

ONE: Payment of an indebtedness evidenced by a certain Promissory Note of even

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date hereof in the principal amount of TWO HUNDRED THIRTY THOUSAND DOLLARS (\$230,000.00).

TWO: Payment of such additional amounts as may be hereafter loaned by the Beneficiary to the Grantor, or any successor interest of the Grantor, with interest thereon, expenses and attorney fees, and any other indebtedness or obligation of the Grantor to the Beneficiary or order, and any and all extensions or renewals thereof.

THREE: Payment of all other sums with interest thereon becoming due or payable under the provisions hereof to either Trustee or Beneficiary.

FOUR: Payment, performance and discharge of each and every obligation, covenant, promise and agreement of Grantor herein or in said Note contained, and of all renewals, extensions, revisions and amendments of the above described Note and any other indebtedness or obligation secured hereby.

To protect the security of this Deed of Trust, it is agreed as follows:

8. If default be made in the performance or payment of the obligations, note or debt secured hereby, or in the performance of any of the terms, conditions and covenants of the Deed of Trust, or the payment of any sum or obligation to be paid hereunder, or upon the occurrence of any act or event of default hereunder, and such default is not cured within **thirty-five (35)** days after written notice of default and of election to sell said property given in the manner provided by NRS 107.080 as in effect on the date of this Deed of Trust, Beneficiary may declare all notes, debts and sums secured hereby or payable hereunder immediately due and payable although the date of maturity has not yet arrived.

9. The Promissory Note, debt and obligations secured by this Deed of Trust are secured, also, by a Security Agreement or other written security document given or executed by Grantor as Debtor in favor of Beneficiary, it is agreed that any default in the performance of any promise, covenant, term or condition contained in said Security Agreement or other security document to be performed, kept or maintained by Debtor therein, or the occurrence of any event of default of any kind under said Security Agreement, or other security document shall be deemed, at the option of Beneficiary, to constitute a default under this Deed of Trust and Beneficiary shall have the same rights hereunder as though a default had occurred in the performance of a promise, covenant, term or condition herein contained and specifically herein set out.

10. The Promissory Note secured by this Deed of Trust is made a part hereof as if fully herein set out.

11. Default under any other Deed of Trust, mortgage, contract or other instrument which is or which creases a lien, encumbrance, charge or interest of any nature on or in any of the property subject hereto having priority over any lien, right or interest created or existing under this Deed of Trust, or failure to pay or discharge when due any obligation which is secured by or which constitutes a lien, encumbrance, charge of interest of any nature on or in any property subject hereto having priority over any lien, right or interest created or existing under this Deed of Trust, whether such obligation or the lien thereof is created by writing or otherwise, shall constitute a default under this Deed of Trust, and to the extent Beneficiary elects to advance sums to correct a default, the same

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shall be secured hereby and be immediately due hereunder, together with interest at the Note rate.

12. Any notices to be given shall be given by registered or certified mail to Grantor at the address set forth near the signature on this Deed of Trust or at such substitute address as Grantor may designate in writing duly delivered to Beneficiary and to the Trustee, and such address set forth in this Deed of Trust or such substitute address as is designated in writing duly served as aforesaid shall be deemed conclusively to be the correct address of Grantor for all purposes in connection with said Deed of Trust, including, but not limited to, giving of notices permitted or required by statute to be mailed to Grantor.

13. The rights and remedies herein granted shall not exclude any other rights or remedies granted by law, and all rights or remedies granted hereunder or permitted by law, shall be concurrent and cumulative.

14. All the provisions of this instrument shall inure to and bind the heirs, legal representatives, successors and assigns of each party hereto respectively as the context permits. All obligations of each Grantor hereunder shall be joint and several.

15. It is expressly agreed that the trusts created hereby are irrevocable by the Grantor.

16. The Grantor hereby covenants and agrees that neither the acceptance nor existence, now or hereafter, of other security for the indebtedness secured hereby, or the full or partial release or discharge hereof, shall operate as a waiver of the security of this Deed of Trust, nor shall this Deed of Trust nor its satisfaction nor reconveyance made hereunder operate as a waiver of any such other security now held or hereafter acquired.

17. If any provision hereof shall be held unenforceable or void, then such provision shall be deemed separate from the remaining provisions and shall in no way affect the validity of this Deed of Trust.

18. To the extent this Deed of Trust contains fixtures and personal property, specifically the one irrigation pivot and pumps and motor presently situate on the property, it is intended to be a fixture filing, financing statement and security agreement and to perfect a security interest in the personal property and fixtures pursuant to the Nevada Uniform Commercial Code.

19. The undersigned warrant and represent that he has the power and authority to make, execute and deliver this Deed of Trust.

20. The rights and remedies of Beneficiary upon the occurrence of one or more defaults by Grantor (whether such rights and remedies are conferred by statute, by rule of law, by this Deed of Trust, or otherwise) may be exercised by Beneficiary, in the sole discretion of Beneficiary, either alternatively, concurrently or consecutively in any order. The exercise by Beneficiary or Trustee of any one or more of such rights and remedies shall not be construed to be an election of remedies nor a waiver of any other rights and remedies Beneficiary might have unless, and limited to the extent that, Beneficiary shall so elect or so waive by an instrument in writing delivered to Trustee. Without limiting the generality of the foregoing, to the extent that this Deed of Trust covers both real property, personal property and collateral, Beneficiary may, in the sole

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discretion of Beneficiary, either alternatively, concurrently or consecutively in any order:

A. Proceed as to both the real property, personal property and collateral in accordance with Beneficiary's rights and remedies in respect of the real property; or

B. Proceed as to the real property in accordance with Beneficiary's rights and remedies in respect of the real property and proceed as to the personal property and collateral in accordance with Beneficiary's rights and remedies in respect of the personal property and collateral.

Beneficiary may, in the sole discretion of Beneficiary, appoint Trustee as the agent of Beneficiary for the purpose of disposition of the personal property in accordance with the Nevada Uniform Commercial Code – Secured Transactions.

If Beneficiary should elect to proceed as to both the real property, personal property and collateral in accordance with Beneficiary's rights and remedies in respect of the real property, all the real and personal property and all the collateral may be sold, in the manner and at the time and place provided in this Deed of Trust in one lot or in separate lots consisting of any combination or combinations of property and collateral, as Beneficiary may elect, in the sole discretion of Beneficiary.

Grantor acknowledges and agrees that a disposition of the personal property and collateral in accordance with Beneficiary's rights and remedies in respect to real property under NRS Chapter 107, is a commercially reasonable disposition of the personal property and collateral.

If Beneficiary should elect to proceed as to the personal property and collateral in accordance with Beneficiary's rights and remedies in respect to personal property, Beneficiary shall have all the rights and remedies conferred on a secured party by NRS 104.9501 to NRS 104.9507, both inclusive.

21. The Beneficiary agrees to release and have reconveyed from this Deed of Trust, parcels of land in advance of full payment of this Deed of Trust and the Note it secures, upon the following terms and conditions only:

A. No parcel or acreage shall be released for the down payment heretofore paid by Grantor to Beneficiary in connection with the purchase of the land described in this Deed of Trust, nor for any monthly payments payable pursuant to the Note secured by this Deed of Trust.

B. No land or portion of the property herein described will be released or discharged hereunder unless all payments on this Deed of Trust and the Note it secures are current and the Grantor is not in default in the performance and payment of this Deed of Trust and Note it secures.

C. No land or property will be released hereunder unless the Grantor has complied with the provisions for division of land and all other areas and parcels of land unreleased has access to and from said parcel of at least the minimum requirement imposed by Eureka County.

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D. All lots, pieces or parcels released shall adjoin or be contiguous to a parcel that has already been released from this Deed of Trust.

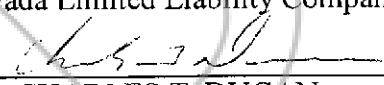
E. Lands shall be released at the rate of \$24,000.00 for each lot or parcel described or parcel as shown on plats filed in the office of the County Recorder of Eureka County, Nevada, as File No. 169298, 16299, 165021 and 1646692 and \$5,000.00 per acre for each acre on the land shown on that plat filed as File No. 175607, the release price to be fully paid in a lump sum at the time of any such release and reconveyance. In the event the parcel released involves a portion of an acre, then the acreage release price shall be prorated accordingly.

F. All costs of partial release shall be paid by Grantor.

IN WITNESS WHEREOF, the Grantor has executed these presents the day and year first hereinabove written.

GRANTOR:

DUGAN ENTERPRISES, LLC
A Nevada Limited Liability Company

By: 
CHARLES T. DUGAN
Managing Member

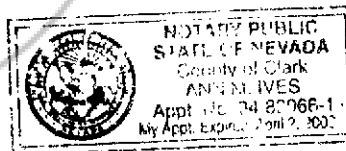
Address of Grantor:

4550 Donovan Way #112
North Las Vegas, NV 89051

STATE OF NEVADA)
COUNTY OF Clark) SS.

This instrument was acknowledged before me on February 28, 2008, by CHARLES T. DUGAN, Managing Member of Dugan Enterprises, LLC


NOTARY PUBLIC



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EXHIBIT "A"

All those certain lots, pieces or parcels of land situate, lying and being in the County of Eureka, State of Nevada and more particularly described as follows:

Parcel 1 as shown on that certain Division into Large Parcels Map for Ruby Hill Ranch, LLC, filed in the office of the County Recorder of Eureka County, State of Nevada, on November 20, 2000, as File No. 175607, being a portion of Section 21, Township 20 North, Range 53 East, MDB&M.

Parcel 1 and 2 as shown on that certain Parcel Map for Ruby Hill Ranch, LLC, filed in the office of the County Recorder of Eureka County, State of Nevada, on December 19, 1997, as File No. 169298, being a portion of Section 21, Township 20 North, Range 53 East, MDB&M.

Parcel 23, 25 and 26 as shown on that certain Parcel Map for Ruby Hill Ranch, LLC, filed in the office of the County Recorder of Eureka County, State of Nevada, on December 19, 1997, as File No. 169299, being a portion of Section 21, Township 20 North, Range 53 East, MDB&M.

Parcel A3 as shown on that certain Parcel Map for John A. Gourley filed in the office of the County Recorder of Eureka County, State of Nevada, on November 6, 1996, as File No. 165021, being a portion of Section 21, Township 20 North, Range 53 East, MDB&M.

Parcel B3 as shown on that certain Parcel Map for William A. Crane filed in the office of the County Recorder of Eureka County, State of Nevada on October 7, 1996, as File No. 164692, being a portion of Section 21, Township 20 North, Range 53 East, MDB&M.

EXCEPTING THEREFROM all the oil and gas lying in and under said land as reserved by the United States of America in Patent recorded September 21, 1964, in Book 5, Page 582, Official Records, Eureka County, Nevada.

TOGETHER WITH 117.60 acre feet of irrigation water being portions of Permits 19218, 21561 and 24378 issued by the Nevada State Engineer and appurtenant to the above described lands.

SUBJECT TO any and all exceptions, reservations, restrictions, restrictive covenants, assessments, encumbrances, easements, rights and rights-of-way.

TOGETHER WITH all buildings and improvements situate thereon.

TOGETHER WITH the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

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