UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(MARK ONE)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2015

Commission file number
000-54648

LAS VEGAS RAILWAY EXPRESS, INC.
(Exact name of Registrant as Specified in its Charter)

Delaware	**56-2646797**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

9480 South Eastern Ave, Suite 205
Las Vegas, NV 89123
(Address of principal executive offices)

702-583-6715
(Issuer's telephone number)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

COMMON STOCK, $0.0001 PAR VALUE
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes [X] No [ ]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is

not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [ ] (Do not check if a smaller reporting company) Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes [ ] No [X]

Aggregate market value of Common Stock held by non-affiliates based on the closing price of the registrant's Common Stock on the OTCBQ on September 30, 2014 was $526,492.

Number of outstanding shares of common stock as of June 29, 2015 was 7,263,750,538.

Documents Incorporated by Reference: None.

LAS VEGAS RAILWAY EXPRESS, INC.
TABLE OF CONTENTS

PART I		PAGE
Item 1.	Business	4
Item 1A.	Risk Factors	15
Item 1B.	Unresolved Staff Comments	19
Item 2	Properties	19
Item 3.	Legal Proceedings	19
Item 4.	Mine Safety Disclosures	19
PART II		19
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	19
Item 6.	Selected Financial Data	21
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	21
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk.	23
Item 8.	Financial Statements and Supplementary Data	24
Item 9.	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	42
Item 9A.	Controls and Procedures	42
Item 9B.	Other Information	42
PART III		42
Item 10.	Directors, Executive Officers and Corporate Governance	42
Item 11.	Executive Compensation	46
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	48
Item 13.	Certain Relationships and Related Transactions and Director Independence.	48
Item 14.	Principal Accountant Fees and Services	49
PART IV		49
Item 15.	Exhibits and Financial Statement Schedules	49
SIGNATURES		51

LAS VEGAS RAILWAY EXPRESS, INC.

PART I

Item 1. Business

Las Vegas Railway Express, Inc. (the "Company", "we", "us", or "our"), formerly known as Liberty Capital Asset Management, Inc., acquired 100% of the issued and outstanding stock of Las Vegas Railway Express, a Nevada corporation on January 21, 2010. In connection with the acquisition, the Company changed its name to Las Vegas Railway Express, Inc. and changed its business plan to one of developing passenger rail transportation and ancillary ticketing and reservation services between the Los Angeles area and Las Vegas, Nevada. In November 2012, the Company executed an agreement with Union Pacific Railroad which allowed the Company to operate its passenger service on their property from Daggett, California to Las Vegas, a distance of 175.8 miles. In May 2013, the Company and Amtrak, which was planning to haul the Company's rail cars from Los Angeles to Las Vegas in regular service, was informed by BNSF Railway ("BNSF") that it would not approve Amtrak's request to operate on the BNSF system. Although the Company tried several alternative approaches to satisfy BNSF's denial, none were accepted and both Amtrak and the Company were forced to suspend their efforts to establish the planned service over the Cajon Pass route.

During the development period for the Los Angeles to Las Vegas route, the Company became visible in the press and several independently owned passenger rail companies discussed how the Company's Club X style railcars could be deployed on existing excursion lines. The Company began to focus its infrastructure towards acquiring independently owned passenger rail operations throughout the United States and providing upscale commuter Club X railcars for various state Department of Transportation municipal transportation agencies.

Company Overview

Our company, Las Vegas Railway Express, Inc., is establishing a new and innovative passenger train service between Las Vegas and the Los Angeles metropolitan area by hiring Amtrak to haul our passenger cars for a fee, between Los Angeles and Las Vegas. The proposed service, called the "X-Train," will introduce a "Las Vegas" style experience on the train, while traversing the route in approximately 5 ½ hours. We will be profitable on the very first run based on our pricing model.

We plan to offer our train service as a tour package in much the same way as cruise lines work with a package of train ticket, hotel, transfers and complimentary first cocktail on board. F&B offerings are not included. Customers can book their tour package with any one of several major hotels in Las Vegas via the X Train website www.vegasxtrain.com or via www.xtrainvacations.com X Train handles all the bookings and our choice hotels are MGM Resorts, The Wynn Resort, Caesars Resort, The Plaza Hotel and Mandalay Resorts. X Train captures 100% of the hotel bookings for which it receives a commission.

Our business plan emanates from a regional transportation feasibility study published in 2007, which suggested that a well-run rail service between Los Angeles and Las Vegas could garner up to 30% of the approximately 12 million passengers who regularly drive between these two metropolitan areas. See: www.rtcsouthernnevada.com.

Over the last 18 months, we have been engaged in activities designed to secure the necessary rights, equipment and facilities required to commence commercial service in the fall of 2015. These include: hiring Amtrak to provide regularly scheduled excursion charter services on the LA to Las Vegas route, purchasing or leasing appropriate locomotive and passenger cars designed to move passengers over the route in comfort; and securing leases on terminal facilities and passenger depots in Los Angeles and in Las Vegas.

We are assisted in this project by North Star Rail, LLC, which owns the rail set of passenger cars we plan to lease. We have an agreement with them to manage for us the charter process with Amtrak as well as leasing their rail car consist to run on our planned route.

The Company has retained the law firm of Sichenzia Ross Friedman LLP 61 Broadway, New York, New York as securities counsel.

The Company's common stock is currently quoted on the PINK under the symbol "XTRN". The company website is www.vegasxtrain.com. The contents of this website are not incorporated into this Memorandum.

The Company maintains offices at 9480 South Eastern Avenue, Suite 205, Las Vegas, Nevada 89123.

Our Competitive Strengths

We have developed a business model that focuses on leisure travelers between Los Angeles and Las Vegas. We believe the following strengths will allow us to maintain a competitive advantage in the market we serve:

Large Untapped Market of 12 Million Drivers. There has been no regular passenger rail service between the Los Angeles and Las Vegas areas for over 18 years. The only major highway between Los Angeles and Las Vegas is Interstate 15 ("I-15"). Of the more than 12,000,000 annual visitors from the Southern California/Los Angeles market, 94% use automobile transportation to Las Vegas via this corridor every year. We only need to capture 28,000 of these drivers (approximately 0.025 % of the total marketplace) to meet our plan on an operating basis. As the LA population grows, so will the traffic on this highway; the forecast for traffic on I-15 is expected to be 17 million passengers by 2030. Congestion on I-15 is increasing, with motor vehicle travelers experiencing substantial delays during peak travel times (e.g., generally over 6 hours of drive time on Friday and Sunday afternoons). With increasing gasoline costs, increasingly restrictive highway capacity, and reduced air travel from LA to Las Vegas, a rail transportation product - with both First Class and Coach – should be an attractive and viable alternative. Our trains will offer a service that will set us apart from other travel options by extending our customers' "Las Vegas" experience while en route.

Amtrak Charter Services. Amtrak recently began encouraging the use of its passenger rail services to private companies under an expanded charter services group. Private companies can hire Amtrak to charter a train for them, which will include locomotives, crew, on board services, logistics and scheduling and conductors for a market-based fee. There is no restriction to the routes where Amtrak will charter a train for a private event or service. Amtrak works with the railroads to co-ordinate logistics with the existing freight rail traffic to select available slots for the requested charter to run. Pricing for the X Train route will vary depending on departure location, car consist and on board services. Amtrak will provide us with locomotive engineers, conductors, train servicing, maintenance, and other services associated with the operations of the X-Train. Amtrak offers many charter type services to numerous rail charter companies in the US.

"Las Vegas Style" Service. The focus of our approach is to create a unique, Vegas class, "must see" mode of travel that not only serves the functional purpose of transporting passengers to Las Vegas, but also integrates seamlessly into the traditional and iconic Las Vegas experience. To accomplish this goal, our award winning team of design professionals and staff has assembled an on-board product reflective of the "Las Vegas" theme, which is comprised of a comfortable, fun, upscale and provocative atmosphere with multiple on-board amenities. Each car will have two "Conductress', who will provide regular table services throughout the duration of each trip. In addition, each train ticket entitles a passenger to an assigned seat with a high-quality meal and an alcoholic beverage.

Our "X-Train" model also includes many premium options to tailor our customers' experiences to their individual preferences. Each passenger car will be served by a bartender who will prepare premium alcoholic beverages not included in the base ticket fare. Snacks and various X-Train merchandising will also be offered for purchase through our free mobile application. Our "Ultra Lounge" cars will have tables that passengers and their travel companions can reserve at an additional charge.

Oversize baggage, access to the on-board Wi-Fi network, and other premium options will also be available for additional ancillary fees. Commissions will be derived through our call centers, our website, and our on-board mobile application, where customers will be presented with the option to book ahead for various Vegas attractions and necessities such as hotels, shows, tours, restaurant reservations, and rental cars.

Low Equipment and Facilities Cost. All locomotive equipment and maintenance costs are borne by Amtrak under our charter agreement. In a similar fashion, all of the costs of maintenance for the rail car consist of the "261" consist we are leasing, are borne by the owners of that consist, "The Friends of the 261". We are renovating the Amtrak station at the Plaza Hotel to accept train service for 2015.

Experienced Management and Board of Directors. We have a strong management team and board of directors comprised of both experienced industry professionals and successful entrepreneurs. Our CEO, Michael Barron has been a successful entrepreneur establishing and growing several companies over the past 30 years. Our board of directors is led by Dr. Harry Teng, Head of the School of Rail Engineering at UNLV in Las Vegas and Lou Schlinger, CEO of Short Line Insurance Company, with over 300 industry rail clients insured. Company management has operated passenger service on a railroad with our own Club X cars and staff.

Our Business Strategy

To grow our business and increase our profitability, our strategy will be to provide a first class "Las Vegas" style travel experience at attractive fares together with a more moderate Coach Class for the economical visitor, while keeping our operating costs low and pursuing ways to make our operations more efficient. We intend to grow by adding additional trains

and increasing the number of trips from Los Angeles to Las Vegas, raising our average fare over time, expanding our relationships with premier leisure companies and growing the level of ancillary services provided to our customers.

The following are the key elements of our strategy:

Finalize Resources for Commencement of Service in Late 2015. We have made a significant capital investment in this business opportunity and are now in the development stage of execution. Our capital investment in Las Vegas Railway Express, Inc. stands now at approximately $12 million and, subject to obtaining needed funding, we plan to invest an additional $2.5 million in 2015 to begin operations of our X-Train service beginning late 2015. The first train set of 10 passenger railcars has been arranged via a third party owner and will be available to run following this offering. We expect to complete station construction and the remaining components of our business plan upon funding.

Stimulate Demand Among Higher Budget Customers Who Drive. We see the Southern California corporate environment as a lucrative one. There are over 50 Fortune 500 companies in California with most having significant employment populations within the two counties of the LA region. With the increasing Las Vegas convention penetration, the Southern California business community alone is diverse enough to provide a sufficient number of higher budget clientele to fill our travel offerings. We plan to undertake an aggressive marketing campaign targeted at the higher budget corporate clientele in the Los Angeles greater area. Additionally, we plan to have partnerships with several of the major Las Vegas casinos in order to jointly market our services.

Grow Non-Rail Revenues. Traditional travel options have included many amenities built into their pricing models. With recent evolutions in the travel industry, the airline sector has begun to unbundle this pricing model to its benefit. In fact, several newer airline companies have eliminated this model in favor of a low priced "à la Carte" pricing model with little traveler resistance. Traditional, higher fare legacy airlines have adopted parts of this strategy and are implementing them profitably. Our business plan incorporates a premium all-inclusive pricing formula, yet plans to also benefit from a "à la Carte" pricing model by providing potential upgrades across several services, most noticeably with food and beverage. In addition, we expect to derive a meaningful portion of our revenue from the sale of ancillary items, such as hotel rooms, rental cars, show tickets, nightclub packages and other attractions. Importantly, most of our ancillary revenue will command high margins with low operating costs thus improving our profitability.

Build Partnerships with Key Institutions. We have established relationships with several of the major Las Vegas casinos including the Plaza Hotel, Wynn Resort, Caesars Resorts and MGM Resorts and key institutions throughout Las Vegas. Additionally, we have developed a co-operative plan with Metrolink. Metrolink operates commuter passenger rail service in the greater Los Angeles metro area and services over 12 million riders annually. Metrolink has 55 local train stations, which share the same right of way and/or connect to the X-Train. By joint venturing a marketing plan with Metrolink, X-Train gains access to its ridership for travel to Las Vegas.

Train Equipment and Service

Each of our trains will consist of two locomotives and one railcar set. Each railcar set will consist of ten cars. Trains can be expanded or contracted depending on the planned event/excursion and marketing & sales demand. X Train has contracted with The Friends of the 261, a private family business, which owns a finished rail set of cars suitable for the X Train, planned service. These cars are already certified to run on Amtrak trains and have been in charter service for over 100 charters all over the country. X train has contracted with the "261" team to manage the charter interface with Amtrak as they have greater experience with Amtrak. Their equipment is leased to X Train on a run by run basis and fees differ depending on the route mileage and services required.

Sales and Distribution

We intend to distribute our product primarily through our website, X Train Vacations www.xtrainvacations.com and our call center/customer support group. We will additionally sell through third party distributors such as Expedia, Travelocity, Orbitz and other Internet travel agencies. We will also be able to use certain of the distribution links provided by the Amtrak network and website.

We see the Southern California corporate environment as a lucrative one. There are over 50 Fortune 500 companies in California with most having significant employment populations within the two counties of the LA region. With the increasing Las Vegas convention penetration, the Southern California business community alone is diverse enough to provide a sufficient number of higher budget clientele to fill our travel offerings. We plan to market our services through advertising and promotions in billboards, newspapers, magazines, television and radio, Fun City rack cards, and through targeted public relations and promotional efforts in our target market. We also rely on public relations and word-of-mouth to promote our brand. We intend to run special promotions in coordination with peak periods and events, such as New Year's Eve, Super

Bowl Weekend, Final Four Weekend, and Chinese New Year's and when boxing matches or tradeshows are held in Las Vegas.

Our trains are also available to be connected via Metrolink, the commuter passenger rail service in the greater Los Angeles metro area that services over 12 million riders annually. Metrolink has 55 local train stations, which share the same right of way and/or connect to our planned station at Fullerton, California.

Passenger Rail Development in the U.S.

- Our Project is to re-open a passenger rail route between Los Angeles and Las Vegas
- New passenger rail routes take an average of 10 years to become operational:
    - Capital Corridor – Union Pacific Railroad/Joint Powers Authority - 10 years
    - Chicago – St. Louis Express project – Union Pacific Railroad/METRA - 12 years (not yet complete)
    - All Aboard Florida – Florida East Coast Railway/Fortress - 6 years (not yet complete)
- Many projects cost hundreds of millions of dollars
- Multiple agencies involved in approvals:
    - Union Pacific
    - BNSF
    - Amtrak
    - FRA
    - Cities for station construction
    - STB
- Our Company is in its 6th year and will operate its service in 2015 – faster development than comparative services

Company Experience in the Rail Industry

- Successfully negotiated rail access with Class 1 railroads
- Working relationship with Amtrak for five years
- Actual operating experience with a passenger rail service
- Designed and built passenger railcars in the X Train motif
- Complete engineering drawings for Plaza station location
- Experience in moving railcars via Amtrak, BNSF and UPRR across the country
- Rail infrastructure experience
- Complete rail logistics planning experience
- Food and Beverage on board trains experience
- Ticketing and Sales experience for passenger train operations

The Excursion Tour Product to Las Vegas from Los Angeles

The company is preparing to operate a Los Angeles to Las Vegas "Party Train" concept it calls "Club X" which provides an entertaining and exciting trip by conventional passenger rail, from Los Angeles to Las Vegas. Las Vegas has many events which it hosts during the year and virtually every weekend is scheduled with some sort of convention, show, sports event or holiday party. Our trains are chartered by Las Vegas Railway Express, Inc. for customers who wish to come to these events via rail instead of driving or flying. Our market is the Los Angeles area resident that visits Las Vegas 1-3 times per year and usually drives the 300 miles on the I-15 highway.

X Train packages will generally run for 3 days and 2 nights with amenities included at selected hotel and casino properties.

The target customer for the service is in the $60,000 or more per year income bracket, likes gaming, and is between 35 – 60 years old.

Amtrak Charter Services

Upon request, Amtrak provides LVRE with trained engineering crews, to ensure safe and reliable passenger rail operations on our charter route. The Charter service offered by Amtrak is a form request for a private train car movement. Amtrak offers this service for a fee to anyone requesting such a service and where there are rails, regardless of whether or not Amtrak currently has passenger service in the route. Requests are processed and logistics are worked out with the impacted railroads and a schedule is formed to accommodate the requested train movement. Charters may not be rejected and are not regular train service. Each time our train will run, the route logistics must be applied for and the schedule for that run established. Once a schedule is established, LVRE will schedule its ticket sales.

There are many companies in the U.S, which use charter services as a commercial enterprise for passenger rail. Companies such as the Rocky Mountaineer, Friends of the 261 (who manage our charter service interface with Amtrak) Key Holidays Reno Fun Train, Iowa Pacific's City of New Orleans operate under the Amtrak charter and run many trains on their routes each year. Each run requires the logistics to be worked out prior to operation. Charters are not regular commuter service and the LVRE schedules will vary depending on which events we plan to service via the X Train.

Pricing and Revenue Management

Our fare structure is based on the Allegiant Air model which is a standard fare for tickets and all amenities are up sells. Ticket prices for coach are $199 per segment. All food and beverage and ancillary items are extra charges. Hotels and other events packages can be booked via X Train's call center. Margins on hotel rooms are up to 30%.

Ancillary Revenues

In addition to the basic X-Train service offering, our business model also includes many premium options that will serve as sources of ancillary revenue. Each X-Train passenger car will have bartender who will prepare premium alcoholic beverages not included in the base ticket fare. Snacks and various X-Train merchandising will also be offered for purchase through our free mobile application. Our "Ultra Lounge" cars will offer tables that passengers and their travel companions can reserve at an additional charge. Oversize baggage, access to the on-board Wi-Fi network, movies, and other premium options will also be available for additional fees.

We also aim to capture significant revenue as a "one stop" booking agent for our passengers' complete Las Vegas itinerary. In these activities, commissions will be derived through our call centers, our website, and our on-board mobile application, where customers will be allowed the option to book ahead for various Vegas attractions and necessities such as hotels, shows, tours, restaurant reservations, and rental cars.

Depot Locations

Our passenger rail terminals will provide features customarily found at a large airport today: a ticketing/customer service counter and electronic ticket machines; a station agent and employee area (including security); a baggage handling and storage area; a passenger waiting area; restrooms; a café and retail space to provide meals, snacks, and sundries; on-site parking (short- and long-term); a passenger pick-up and drop-off area; and a transit, taxi, resort shuttle pick-up and drop-off area.

Los Angeles Union Station:

As the Los Angeles departure and arrival points of our service, Union Station was chosen for a number of reasons, including its proximity to downtown for Las Vegas marketing efforts; its location in the second largest population county in the United States; its links to Los Angeles County via public roads, bus and rail routes; its very affluent and tourism-centric locale; and its connection to Metrolink services where there are over 15,000 daily boardings with easy connection to Union Station passengers.

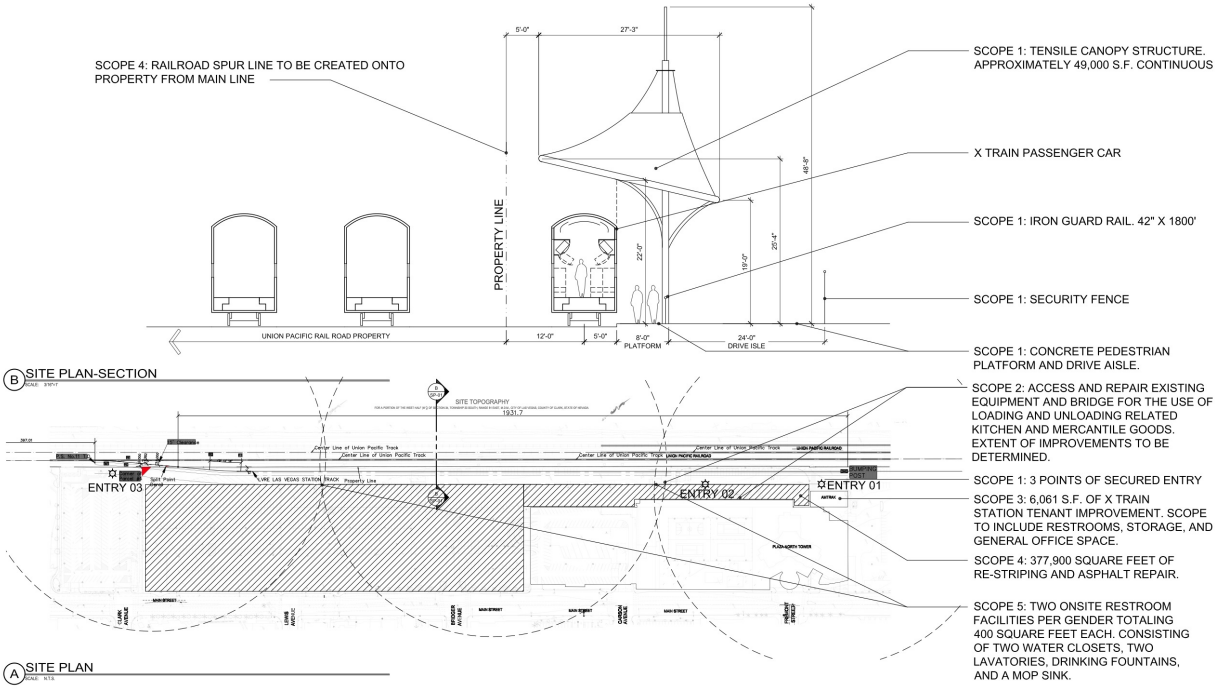


Las Vegas Station:

Our Las Vegas arrival station will be located within the historic Downtown Las Vegas gaming and resort district bordering the famous Fremont Street Experience. Adjacent to Union Pacific's main track line and Symphony Plaza, our re-modeled station (formally Amtrak's Las Vegas station) was chosen for its location along the Union Pacific Railroad mainline; its parking and local transportation ease of ingress and egress; its 10-minute drive from over 150,000 hotel rooms; its access to ridership views along the famous Las Vegas "Strip"; its strategic alliances with Fremont Street Experience, Downtown Redevelopment Agency and Las Vegas Convention and Visitors Agency; and its low cost proximity to traveling staff accommodations.

Conceptual future station rendering at the Plaza Hotel.

Train



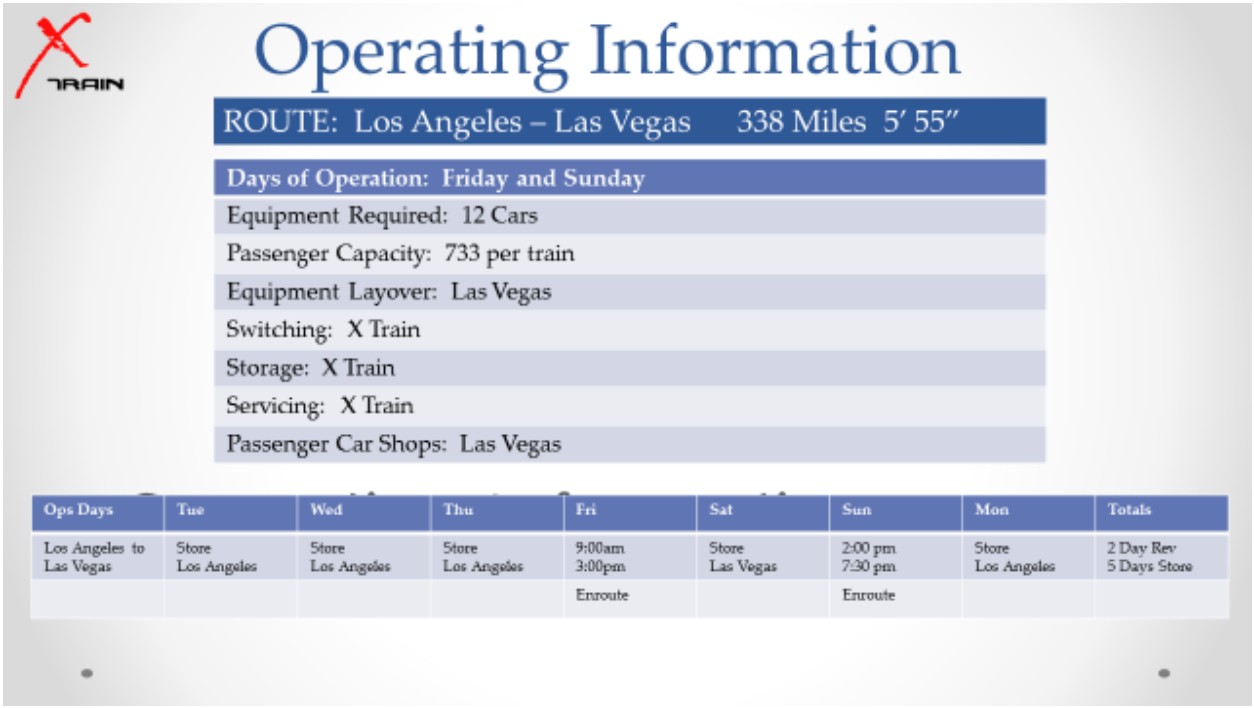
Operations

The proposed route of the X-Train is approximately 338 miles beginning at LA Union Station, California and proceeding non-stop to the destination at Las Vegas, Nevada. The railroad rights-of-way (ROW), over which passenger train service could operate between Las Vegas and Los Angeles, include privately and publicly owned segments. The privately held portions are owned either by BNSF Railway (BNSF) or by Union Pacific Railroad (UPRR).

Our charter agreement with Amtrak will give our X-Train the priority status needed to meet our scheduled travel times. In other words, the owners of the track will allow our X-Train to pass slower and longer freight trains by having those freight trains move to the numerous sidings along the route. Further, as an attractive and profitable railroad customer, they will ensure immediate and urgent maintenance of any and all track maintenance and other services that we would rely upon for prompt and safe service.

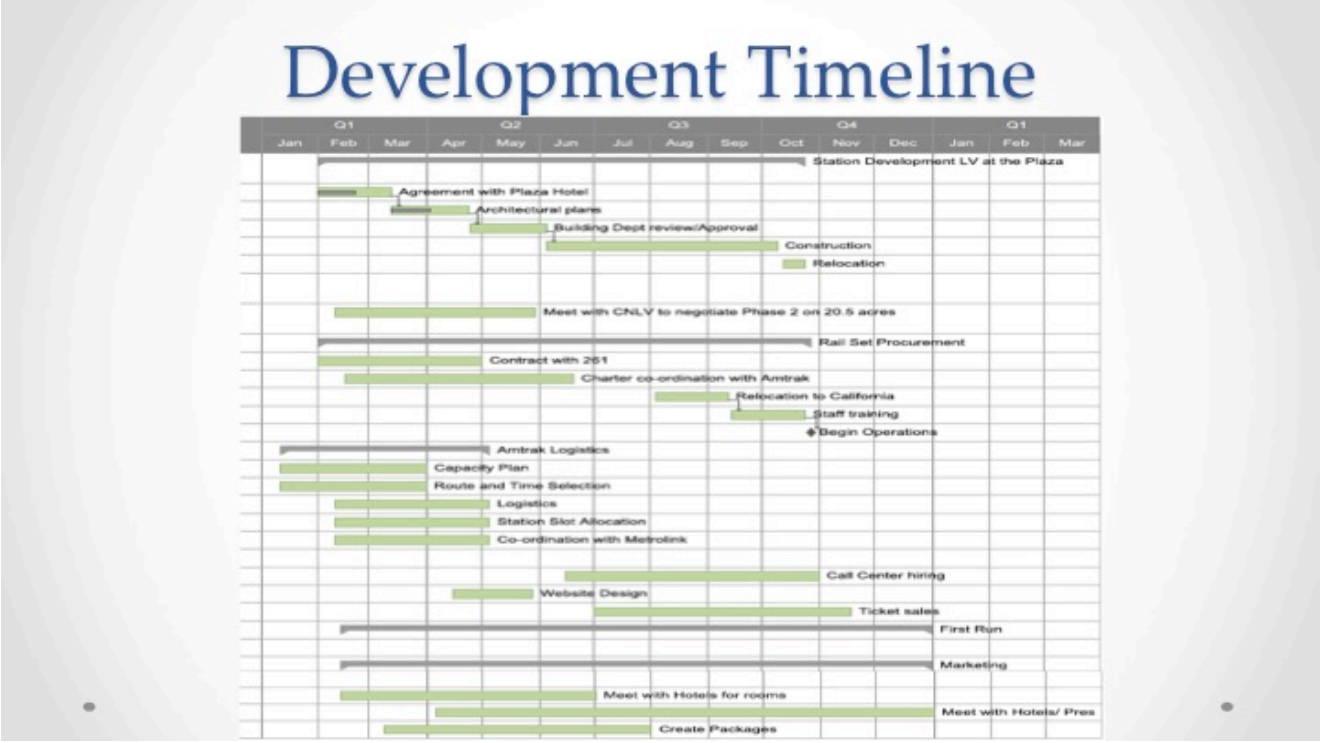
Proposed Operating Schedule

Our Charter runs to Las Vegas from Los Angeles are planned around weekend events held in Las Vegas. As such our operating schedule is not fixed and may vary depending on the event we are service, The operating table below is the general operations plan for the train movement of our consist and the placement, layover and operating times we generally expect. Actual results may vary.



Project Development Timeframe

Below is our planned project development timeframe for initiating the service. The chart is an estimate of our development schedule and actual results may vary.



Maintenance Facilities

Amtrak maintains their fleet, and the Friends of the 261 maintain their fleet under our lease agreement with them.

Insurance

Our agreement with Amtrak will provide liability insurance caps. Outside of our agreement, we are required through our conditional agreement with Union Pacific to maintain, during the life of the agreement, liability insurance with a limit of not less than $200 million; as well as other insurance policies we believe are of types customary in the industry and as required by the DOT and in amounts we believe are adequate to protect us against material loss. The policies principally provide coverage for public liability, passenger liability, baggage and cargo liability, property damage, including coverage for loss or damage to our rail equipment and workers' compensation insurance. There is no assurance, however, that the amount of insurance we carry will be sufficient to protect us from material loss.

Employees

We currently have no employees other than our management team. Initially, we anticipate hiring a team of approximately 30 employees to assist in train and depot operations. Each train consist will require approximately 20 employees to operate it and the Las Vegas depot will require approximately 10 employees. Most of our train personnel will be classified as servers / entertainers and will not be covered by any collective bargaining agreements. Our other train operations personnel, including technical operations and maintenance, will be provided through our outsourcing agreement with Amtrak; and our food and beverage personnel will be provided on an outsourced basis.

Growth of Passenger Rail; Environment

There is widespread acknowledgement that improved intercity passenger rail service will help address many major national transport challenges. Among the challenges faced are congested highways and airports, rising fuel costs and energy independence, and climate and environmental concerns.

We are also aware of the urgency passenger rail service has established as evidenced by recent Congressional legislation, including the FY 2008 Appropriation Act, The Rail Safety Improvement Act of 2008 (RSIA), The Passenger Rail Investment and Improvement Act of 2008 (PRIIA), and The American Recovery and Reinvestment Act of 2009 (ARRA).

Many higher density city pairs have been increasing their use of rail transportation over the last decade. Set forth below is a list of selected top city-pair markets for passenger rail transportation and the traffic in each of the last six years.

Annual Passenger Traffic (000s)

	Route Endpoints							
	Departs	**Arrives**	**2012**	**2011**	**2010**	**2009**	**2008**	**2007**
Amtrak Total			31,241	30,187	28,717	27,167	28,716	25,848
Northeast Regional	Springfield, MA	Lynchburg, VA	8,014	7,515	7,149	6,921	7,489	6,837
Acela	Boston, MA	Washington D.C.	3,395	3,379	3,219	3,020	3,399	3,191
Pacific Surfliner	San Luis Obispo, CA	San Diego, CA	2,640	2,787	2,614	2,593	2,899	2,707
Capitol Corridor	Sacramento, CA	San Francisco, CA	1,746	1,709	1,581	1,600	1,694	1,450
Keystone	New York, NY	Harrisburg, PA	1,420	1,343	1,297	1,216	1,184	988
San Joaquin	Bakersfield, CA	Oakland, CA	1,145	1,067	978	929	950	805
Empire	New York, NY	Albany, NY	1,063	1,024	981	926	994	958
Lincoln	Chicago, IL	St. Louis, MO	598	549	572	506	476	409
Coast Starlight	Los Angeles, CA	Oakland, CA	454	427	444	433	354	344
Texas Eagle	Dallas, TX	Houston, TX	338	300	287	260	252	218
River Runner	St. Louis, MO	Kansas City, MO	196	186	173	151	152	117
Adirondack	New York, NY	Montreal, QC	132	125	119	105	112	101

Note: Includes passengers boarding and deboarding at interim stops.

Here in Las Vegas, the news regarding the prospect of high-speed rail has brought back into the public's consciousness the idea that intercity passenger rail service has returned as a viable alternative to existing modes of transportation. What has not been discussed, and is the strategic aim of our company, LVRE, is the popularization of conventional passenger rail service and the advantages it brings to the community.

In addition, we are confident that we can advance the recent legislative efforts of Congress to improve our nation's transportation infrastructure by assisting in our nation's goal of diverting automobile traffic to intercity passenger rail. Such activities ought to: relieve increasingly congested highways by taking cars off the inter-state highways; demonstrate that there is a profitable market for intercity passenger rail; reduce overall CO2 emissions; eliminate an estimated total of 4.5 million automobiles from I-15 over a five year period; and reduce CO2 emissions on I-15 by an estimated amount of 42 million pounds in year one and 1.1 billion pounds over five years.

Competition

We will have no direct passenger rail service competition. Although there have been two proposed high speed rail alternatives announced, we believe these options will be economically infeasible in today's challenging fiscal environment.

The Xpress West (formerly DesertXpress), which has a private Las Vegas sponsor, is a high-speed rail proposal for service from Las Vegas to Victorville, CA (85 miles from Los Angeles). This project requires an ambitious right-of-way acquisition, as well as $6 billion to construct a new rail system and 7-10 years to complete, if ever funded.

The other proposal is the MagLev, a passenger train utilizing high-speed magnetic levitation technology. The MagLev would travel between Las Vegas and Anaheim, CA (25 miles from Los Angeles). This project, like the Xpress West, requires an ambitious right-of-way acquisition, $15 billion to construct, and 15 years to complete if ever funded.

The Nevada Department of Transportation recently reviewed the proposals for rail service from Los Angeles to Las Vegas and has chosen to support the Las Vegas Railway Express proposed project. www.nvrailplan.com

We will compete indirectly with a variety of transportation modes including automobiles, bus service, limousine service and air transportation. With the exception of automobiles, some portion of which we hope to replace, the other transportation modes are not seen as a material risk to our business strategy.

Safety

Passenger train service is among the safest form of travel in the country. In conjunction with our Class I railroad partners Burlington Northern Santa Fe, Union Pacific Railroad, Metrolink and our haulage partner, AMTRAK our commitment towards a safe method of travel will be paramount. Our ability to remove an estimated 4.5 million cars from I-15 will improve the safety of those traveling because this portion of I-15 is considered among the most dangerous stretches of road in the country.

THE LAS VEGAS / SOUTHERN CALIFORNIA TRANSPORT MARKET

Las Vegas is a world-class leisure destination and one of the most sought after travel destinations within the United States, with its gaming attractions, convention facilities, various shows and entertainment, restaurants, hotels and golf courses. Currently, approximately 12 million people travel from Southern California to Las Vegas per year, 94% of those people do so

by ground transportation, and the remaining 6% travel by commercial and private air transport. Las Vegas' global reach extends well beyond its approximately 38.9 million annual visitors, and is reflected in television travel programs, reality and poker shows, movies and celebrity visits that are consistently a part of daily media and pop culture.

As a major leisure destination, Las Vegas tracks and reports a myriad of statistics about the profile of its visitors. Set forth below are important, selected market statistics about Southern Californian visitors to Las Vegas from the LVCVA 2011 Southern California Profile:

17 million annual visitors from Southern California to Las Vegas
94% of annual visitors to Las Vegas from Los Angeles, travel via ground transportation, 6% via air
One-way ground travel between the cities can take up to 6 – 7 hours
53% visit more than once a year
Stay for an average of 2.9 nights and 3.9 days
23% earn between $60,000 and $80,000 annually
49% earn more than $80,000
24% travel with more than 2 people in their party
Spend an average of $371 gambling with 11% spending $600 or more

When compared with other major resort markets in the United States, the Las Vegas market has shown consistent growth over both the near and long terms in both visitation and expenditures. We believe that recent growth in the Las Vegas market has been enhanced by the introduction of large luxury and thematic destination resorts and the increased capacity to host large-scale trade shows and conventions.

Source: Las Vegas Convention and Visitors Authority.

The Regional Transportation Commission ("RTC") of Southern Nevada completed a transportation study and feasibility plan, which analyzed the possibility of a conventional passenger rail service between Las Vegas and Los Angeles. The study was completed in June of 2007 with a supplement completed in 2008. In that document the RTC and participating authorities concluded that passenger rail service was viable within the LA to Las Vegas corridor and that up to 4 million people could and would switch from traveling by automobile to traveling by rail if a reliable passenger rail service could be established.

Recently, the University of Nevada, Las Vegas (UNLV)'s Rail Engineering Department, headed by Dr. Harry Teng, completed a rail study of the LA to Las Vegas rail corridor. In the UNLV study, the logistics of running a series of passenger trains through this corridor was determined that the railroads affected would have sufficient capacity to easily manage the proposed frequency of the X Train, once a week charter service.

Item 1A. Risk Factors

Risks Related to Our Business

We have a limited operating history upon which an evaluation of our prospects can be made.

Our future operations are contingent upon generating revenues and raising capital for operations. Because we have a limited operating history, you will have difficulty evaluating our business and future prospects.

We also face the risk that we may not be able to effectively implement our business plan. If we are not effective in addressing these risks, we may not operate profitably and we may not have adequate working capital to meet our obligations as they become due.

We currently have no revenues and are totally dependent upon the proceeds from investors to fund our business.

We will have to fund all of our operations and capital expenditures from the net proceeds from investors, and future financings, as we have not yet generated revenues. There can be no assurance that we would be able to raise the additional funding needed to implement our business plans or that unanticipated costs will not increase our projected expenses.

We have a history of losses and can provide no assurance of our future operating results.

We have not generated revenue since inception, and may not succeed in generating revenue. We have experienced net losses and negative cash flows from operating activities since inception and we expect such losses and negative cash flows to continue in the foreseeable future. As of March 31, 2015 and March 31, 2014, we had cash of $2,687 and $87,910, respectively. For the years ended March 31, 2015 and 2014, we incurred net losses of $9,479,980 and $13,052,020, respectively. As of March 31, 2015, we had an aggregate accumulated deficit of $41,107,625. We may never achieve profitability. The opinion of our independent registered public accountants on our audited financial statements as of and for the year ended March 31, 2015 contains an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon raising capital from financing transactions and

continued implementation of our business plan.

Our business plan, in part, relies on our ability to acquire or partner with passenger rail companies.

We engage in attracting independently owned passenger rail operations to contract with us for either sales or operating rights contracts on their railroads. Without these agreements, the Company would have no new operations from which it could operate its service. The Company has no guarantee that it can secure these agreements in the future nor that the agreements it has can be maintained beyond their contract limits.

We have incurred substantial indebtedness.

As of March 31, 2015 we have outstanding promissory notes of approximately $3,091,712. In the past, we have been in default under this debt. There can be no assurances that we will raise sufficient capital or generate sufficient revenue in the future to service our debt. If legal proceedings were commenced against us or we are unable to service our debt, then creditors may foreclose on the debt and seize our assets which may force us to suspend or cease operations altogether.

Our indebtedness, combined with our other financial obligations and contractual commitments, could:

- make it more difficult for us to satisfy its obligations with respect to the indebtedness and any failure to comply with the obligations under any of our debt instruments, including restrictive covenants, could result in further event of defaults under the loan agreements and instruments governing the indebtedness;
- require us to dedicate a substantial portion of any cash raised from financing or cash flow from future operations to payments on our indebtedness, thereby reducing funds available for working capital, capital expenditures, acquisitions, and other corporate purposes;
- increase our vulnerability to adverse economic and industry conditions, which could place us at a competitive disadvantage compared to competitors that have relatively less indebtedness;
- limit our flexibility in planning for, or reacting to, changes in business and the industry in which we operate; and
- limit our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions, and other corporate purposes.

We may incur significant additional indebtedness in the future. If we incur a substantial amount of additional indebtedness, the related risks that we face could become more significant. Additionally, the terms of any future debt that we may incur may impose requirements or restrictions that further affect our financial and operating flexibility or subject it to other events of default.

If We Fail To Comply With The Numerous Laws And Regulations That Govern Our Industry, Our Business Could Be Adversely Affected.

Our business must comply with extensive and complex rules and regulations of various federal, state and local government authorities. We may not always have been and may not always be in compliance with these requirements. Failure to comply with these requirements may result in, among other things, revocation of our ability to operate a conventional rail system, class action lawsuits, administrative enforcement actions and civil and criminal liability.

The Loss Of Any Of Our Executive Officers Or Key Personnel Would Likely Have An Adverse Effect On Our Business.

Our future success depends to a significant extent on the continued services of our senior management and other key personnel, particularly Michael A. Barron. The loss of the services of Mr. Barron or other key employees would also likely have an adverse effect on our business, results of operations and financial condition.

Our Business Will Be Adversely Affected If We Are Unable To Protect Our Intellectual Property Rights From Third Party Challenges Or If We Are Involved In Litigation.

Trademarks and other proprietary rights if any are important to our success and our competitive position. Although we seek to protect our trademarks and other proprietary rights through a variety of means, we cannot assure you that the actions we have taken are adequate to protect these rights. We may also license content from third parties in the future and it is possible that we could face infringement actions based upon the content licensed from these third parties.

Our common stock is quoted on the OTCPink, which may limit the liquidity and price of our common stock more than if our common stock were quoted or listed on The Nasdaq Stock Market or a National Exchange.

Our securities are currently quoted on the OTCPink, an inter-dealer automated quotation system for equity securities not included in the Nasdaq Stock Market. Quotation of our securities on the OTCPink may limit the liquidity and price of our securities more than if our securities were quoted or listed on The Nasdaq Stock Market or a national exchange. Some

investors may perceive our securities to be less attractive because they are traded in the over-the-counter market. In addition, as an OTCPink listed company, we do not attract the extensive analyst coverage that accompanies companies listed on other exchanges. Further, institutional and other investors may have investment guidelines that restrict or prohibit investing in securities traded on the OTCPink. These factors may have an adverse impact on the trading and price of our common stock.

Our independent registered public accounting firm have expressed substantial doubt about our ability to continue as a going concern.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has net losses of $9,479,980 and $13,052,020 for the years ended March 31, 2015 and 2014, respectively. The Company also has an accumulated deficit of $41,107,625 and a negative working capital of $6,390,108 as of March 31, 2015, as well as outstanding convertible notes payable of $2,985,574, of which $2,630,393 is in default and $86,510 is due in the quarter ending on June 30, 2015. Management believes that it will need additional equity or debt financing to be able to implement the business plan. Given the lack of revenue, capital deficiency and negative working capital, there is substantial doubt about the Company's ability to continue as a going concern.

Risks Related to Our Common Stock

The application of the "Penny Stock" Rules could adversely affect the market price of our common stock and increase your transaction cost to sell those shares.

The SEC has adopted rule 3a51-1 which establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, Rule 15g-9 requires:

- that a broker or dealer approve a person's account for transactions in penny stocks; and

In order to approve a person's account for transactions in penny stocks, the broker or dealer must:

- obtain financial information and investment experience objectives of the person; and
- make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form:

- sets forth the basis on which the broker or dealer made the suitability determination; and
- that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock.

- the broker or dealer receives from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

We do not anticipate paying dividends.

We have never paid any cash dividends on our common stock since our inception, and we do not anticipate paying cash dividends in the foreseeable future. Any dividends, which we may pay in the future, will be at the discretion of our Board of Directors and will depend on our future earnings, any applicable regulatory considerations, our financial requirements and other similarly unpredictable factors. For the foreseeable future, we anticipate that earnings, if any, will be retained for the operation and expansion of our business.

Possible conflicts of interest exist in related party transactions.

Our Board of Directors consists of Michael A. Barron, Dr. Harry Teng and Louis M. Schillinger. These individuals are either executive officers, directors or principal shareholders of the Company. Thus, there has in the past existed the potential for conflicts of interest in transactions between the Company and such individuals or entities in which such individuals have an interest.

There is a limited market for our common stock which may make it more difficult for stockholders to dispose of their shares.

Our common stock is currently quoted on the OTCPink under the symbol "XTRN". There is a limited trading market for our common stock. Accordingly, there can be no assurance as to the liquidity of any markets that may develop for our common stock, the ability of holders of our common stock to sell our common stock, or the prices at which holders may be able to sell our common stock.

The price of our common stock is volatile, which may cause investment losses for our stockholders.

The market for our common stock is highly volatile, having ranged in the last twelve months from a low of $0.0001 to a high of $0.17. The trading price of our common stock is subject to wide fluctuations in response to, among other things, quarterly variations in operating and financial results, and general economic and market conditions. In addition, statements or changes in opinions, ratings, or earnings estimates made by brokerage firms or industry analysts relating to our market or relating to us could result in an immediate and adverse effect on the market price of our common stock. The highly volatile nature of our stock price may cause investment losses for our shareholders. In the past, securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. If securities class action litigation is brought against us, such litigation could result in substantial costs while diverting management's attention and resources.

Our common stock could be further diluted as the result of the issuance of additional shares of common stock, convertible securities, warrants or options.

In the past, we have issued common stock, convertible securities (such as convertible debentures and notes) and warrants in order to raise money. We have also issued options and warrants as compensation for services and incentive compensation for our employees and directors. We have shares of common stock reserved for issuance upon the exercise of certain of these securities and may increase the shares reserved for these purposes in the future. Our issuance of additional common stock, convertible securities, options and warrants could affect the rights of our stockholders, result in a reduction in the overall percentage holdings of our stockholders, could put downward pressure on the market price of our common stock, could result in adjustments to exercise prices of outstanding warrants, and could obligate us to issue additional shares of common stock to certain of our stockholders.

Shares eligible for future sale may adversely affect the market.

From time to time, certain of our stockholders may be eligible to sell all or some of their shares of common stock by means of ordinary brokerage transactions in the open market pursuant to Rule 144 promulgated under the Securities Act, subject to certain limitations. In general, pursuant to amended Rule 144, non-affiliate stockholders may sell freely after six months subject only to the current public information requirement. Affiliates may sell after six months subject to the Rule 144 volume, manner of sale (for equity securities), and current public information and notice requirements. Any substantial sales of our common stock pursuant to Rule 144 may have a material adverse effect on the market price of our common stock.

A large percentage of our stock is owned by relatively few people, including officers and directors.

As of March 31, 2015, our officers and directors beneficially owned approximately 22.79% of our outstanding common stock. As a result, these stockholders could, if they were to act together, affect the outcome of stockholder votes, which could, among other things, affect elections of directors, delay or prevent a change in control or other transaction that might be beneficial other stockholders.

Item 1B. Unresolved Staff Comments

Not applicable

Item 2. Properties.

As of March 31, 2015, we lease approximately 1,976 square feet of general office space in premises located at 9480 South Eastern Avenue, Suite 205, Las Vegas, Nevada. Our lease for this space expires in February 2017 and provides for monthly payments of $2,964.

Item 3. Legal Proceedings.

In the ordinary course of business, the Company may be or has been involved in legal proceedings from time to time. As of the date of this annual report on Form 10-K, there have been no material changes to any legal proceedings relating to the Company which previously were not reported.

Item 4. Mine Safety Disclosure

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is currently quoted on the Over-The-Counter Pink Board under the symbol "XTRN". On June 29, 2015, the last trade of our stock was at the price of $0.0001 per share. The following table sets forth the high and low prices per share of our common stock for each period indicated. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

	Common Shares	
Year Ended March 31, 2015:	High	Low
Quarter Ended June 30, 2014	$ 0.5000	$ 0.0851
Quarter Ended September 30, 2014	$ 0.1200	$ 0.0090
Quarter Ended December 31, 2014	$ 0.0100	$ 0.0009
Quarter Ended March 31, 2015	$ 0.0015	$ 0.0006

Year Ended March 31, 2014:	High	Low
Quarter Ended June 30, 2013	$ 2.20	$ 1.40
Quarter Ended September 30, 2013	$ 1.60	$ 0.80
Quarter Ended December 31, 2013	$ 1.50	$ 0.73
Quarter Ended March 31, 2014	$ 1.35	$ 0.47

Number of Stockholders

As of March 31, 2015, there were 342 stockholders of record of our common stock.

Dividend Policy

We have never declared or paid any cash dividends on our common stock. We do not anticipate paying any cash dividends to stockholders in the foreseeable future. In addition, any future determination to pay cash dividends will be at the discretion of the Board of Directors and will be dependent upon our financial condition, results of operations, capital requirements, and such other factors as the Board of Directors deem relevant.

Equity Compensation Plan Information as of March 31, 2015

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	100,000	$ 10	-
Equity compensation plans not approved by security holders	111,107,928	$ 0.061	0
Total	111,207,928	$ 0.07	0

Recent Sales of Unregistered Securities.

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchaser

None.

Item 6. Selected Financial Data

Not applicable.

Forward-Looking Statements

Statements contained in this Form 10-K that are not historical facts are forward-looking statements. In addition, words such as "believes," "anticipates," "expects," "intends" and similar expressions are intended to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements or events, or timing of events, to differ materially from any future results, performance or achievements or events, or timing of events, expressed or implied by such forward-looking statements. We cannot assure that we will be able to anticipate or respond timely to the changes that could adversely affect our operating results in one or more fiscal quarters. Results of operations in any past period should not be considered indicative of results to be expected in future periods. Fluctuations in operating results may result in fluctuations in the price of our securities.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our financial statements and notes thereto included elsewhere herein.

Critical Accounting Policies

The preparation of our financial statements and notes thereto requires management to make estimates and assumptions that affect the amounts and disclosures reported within those financial statements. On an ongoing basis, management evaluates its estimates, including those related to collection of receivables, impairment of goodwill, contingencies, litigation and income taxes. Management bases its estimates and judgments on historical experiences and on various other factors believed to be reasonable under the circumstances. Actual results under circumstances and conditions different than those assumed could result in material differences from the estimated amounts in the financial statements. There have been no material changes to these policies during the fiscal year.

Results of Operations

The following are the results of our continuing operations for the year ended March 31, 2015 compared to the year ended March 31, 2014:

	Year Ended			
	March 31, 2015	March 31, 2014	$ Change	% Change
Revenues	107,547.00	$ -	107,547.00	100.0%
Cost of sales	64,535.00	-	64,535.00	100.0%
Gross profit	43,012.00	-	43,012.00	100.0%
Operating Expenses:				
Compensation and payroll taxes	3,894,887	$ 2,876,141	1,018,746	35.4%
Selling, general and administrative	1,906,782	1,709,461	197,321	11.5%
Professional fees	1,333,415	1,873,146	(539,731)	-28.8%
Impairment loss	-	843,697	(843,697)	-100.0%
Depreciation expense	71,644	7,292	64,352	882.5%
Total expenses	7,206,728	7,309,737	(103,009)	-1.4%
Loss from operations	(7,163,716)	(7,309,737)	146,021	-2.0%
Other income (expense)				
Interest expense	(2,728,845)	(7,960,987)	5,232,142	-65.7%
Change in derivative liability	412,581	2,162,790	(1,750,209)	-80.9%
Total other income (expense)	(2,316,264)	(5,798,197)	3,481,933	-60.1%
Net income (loss) from operations before provision for income taxes	(9,479,980)	(13,107,934)	3,627,954	-27.7%
Provision for income taxes	-	55,914	(55,914)	-100.0%
Net income (loss)	(9,479,980)	(13,052,020)	3,572,040	-27.4%

Revenue

During the year ended March 31, 2015 the Company generated some revenue from operating train in Santa Fe, NM. During the year ended March 31, 2013, there was no operations yet.

Operating Expenses

Compensation and payroll taxes increased by $1,018,746, or 35.4%, during the year ended March 31, 2015 as compared to 2014. The increase in compensation expense in the current year is due primarily to higher costs in 2015 related to the issuance and exercise of options by directors and officers as compensation in April 2014, which resulted in additional expenses of approximately $2.4 million. Selling, general and administrative expenses increased by $197,321, or 11.5%, during the year ended March 31, 2015 as compared to the same period in 2014 primarily due to office expenses, marketing and advertising expenses. We had a decrease in our professional fee expenses during the year ended March 31, 2015 of $539,731, or 28.8%, due primarily to legal, consulting and accounting services.

Other (Expense) Income

Interest expense decreased by $5,231,142, or 65.7% during the year ended March 31, 2015 as compared to the year ended March 31, 2014. The decrease is due primarily to the amortization of discount on convertible debt in 2014. The discount is being amortized into interest expense over the maturity date of the convertible notes. This resulted in interest expense during the year ended March 31, 2015 of $2,062,473, compared to $4,835,032 in 2014, representing a decrease of $2,772,559.

The change in the value of derivative liabilities amounted to $412,581 for the year ended March 31, 2015 as compared to $2,162,790 for the year ended March 31, 2014. The decrease was primarily due to the increase in value of derivative liabilities outstanding during the year.

Liquidity and Capital Resources

Liquidity is the ability of a company to generate funds to support asset growth, satisfy disbursement needs, maintain reserve requirements and otherwise operate on an ongoing basis. The Company has no operating revenues and is currently dependent on debt financing and sale of equity to fund operations.

As shown in the accompanying financial statements, the Company has net losses of $9,434,980 and $13,052,020 for the years ended March 31, 2015 and 2014, respectively. The Company also has an accumulated deficit of $41,062,625 and negative working capital of $6,390,108 as of March 31, 2015, as well as outstanding convertible notes payable of $2,985,574, of which $2,630,393is in default and $86,510 is due during the quarter ending June 30, 2015. Management believes that it will need

additional equity or debt financing to be able to implement its business plan. Given the lack of revenue, capital deficiency and negative working capital, there is substantial doubt about the Company's ability to continue as a going concern.

We believe that the successful growth and operation of our business is dependent upon our ability to do the following:

- obtain adequate sources of debt or equity financing to pay unfunded operating expenses and fund long-term business operations; and
- manage or control working capital requirements by controlling operating expenses.

Management is attempting to raise additional equity and debt to sustain operations until it can market its services and achieves profitability. The successful outcome of future activities cannot be determined at this time and there are no assurances that, if achieved, the Company will have sufficient funds to execute its intended business plan or generate positive operating results.

Cash Flows

Net cash used in operating activities for the years ended March 31, 2015 and 2014 were $1,757,999 and $4,054,795, respectively. Cash used in operating activities for the years ended March 31, 2015 and 2014 were primarily due to net losses of $9,479,980 and $13,052,020, respectively. During the year ended March 31, 2015, the net loss included significant non-cash expenses of $583,840 in stock issued for services, $2,062,473 in amortization of discounts on notes payable, $2,687,591 for the stock option compensation, $329,416 for the warrants issued for services, and $322,929 in debt conversion expenses. During the year ended March 31, 2014, the net loss included significant non-cash expenses of $644,540 for stock issued for services, $582,837 in warrants issued for services, $4,835,032 in amortization of discounts on notes payable, and $600,000 for impairment of Union Pacific deposit and $843,697 for impairment loss on goodwill.

There was no cash used in investing activities during the year ended March 31, 2015. Net cash used in investing activities during the year ended March 31, 2014 was $297,910, which represented property and equipment acquisitions primarily related to the acquisition of rail cars and related costs.

Net cash provided by financing activities for the year ended March 31, 2015 was $1,672,776, which consisted of $577,300 from proceeds from sale of shares of common stock, $3,176 from exercise of stock options, $4,417 from exercise of warrants, $981,745 from proceeds from convertible notes payable and $106,138 from proceeds from related parties notes payable. Net cash provided by financing activities for the year ended March 31, 2014 amounted to $3,178,000 which consisted of $275,000 in proceeds from the sale of common stock and $2,903,000 in proceeds from the issuance of convertible notes payable during the year.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable

Item 8. Financial Statements and Supplementary Data.

LAS VEGAS RAILWAY EXPRESS, INC.
BALANCE SHEETS

	March 31, 2015 Unaudited	March 31, 2014
Assets		
Current assets		
Cash	$ 2,687	$ 87,910
Other current assets	49,975	101,250
Total current assets	52,662	189,160
Property and equipment, net of accumulated depreciation	56,208	684,407
Other assets		
Deposits	4,464	22,385
Total assets	$ 113,334	$ 895,952
Liabilities and Stockholders' Deficit		
Current liabilities		
Short term notes payable	$ -	$ 13,333
Accounts payable and accrued expenses	1,476,574	442,711
Derivative liability	2,020,763	1,198,018
Notes payable - related parties	106,138	-
Current portion of convertible notes payable, net of debt discount	2,839,295	1,271,984
Total current liabilities	6,442,770	2,926,046
Long-term portion of convertible debt, net of current portion	39,550	150,000
Total liabilities	6,482,320	3,076,046
Commitments and contingencies		
Stockholders' deficit		
Common stock, $0.0001 par value, 500,000,000 shares authorized, 465,696,129 and 16,041,142 shares issued and outstanding as of March 31, 2015 and March 31, 2014, respectively	46,570	1,604
Additional paid-in capital	34,525,861	29,445,945
Common stock payable	166,208	-
Accumulated deficit	(41,107,625)	(31,627,643)
Total stockholders' deficit	(6,368,986)	(2,180,094)
Total liabilities and stockholders' deficit	$ 113,334	$ 895,952

See accompanying notes to condensed financial statements

LAS VEGAS RAILWAY EXPRESS, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

	For The Years Ended	
	March 31, 2015	**March 31, 2014**
	Unaudited	
Revenues	$ 107,547	$ -
Cost of sales	64,535	-
Gross profit	43,012	-
Operating Expenses:		
Compensation and payroll taxes	3,894,887	2,876,141
Selling, general and administrative	1,906,782	1,709,461
Professional fees	1,333,415	1,873,146
Impairment loss	-	843,697
Depreciation expense	71,644	7,292
Total operating expenses	7,206,728	7,309,737
Loss from operations	(7,163,716)	(7,309,737)
Other income (expense)		
Interest expense	(2,728,845)	(7,960,987)
Change in derivative liability	412,581	2,162,790
Total other income (expense)	(2,316,264)	(5,798,197)
Net income (loss) from operations before provision for income taxes	(9,479,980)	(13,107,934)
Provision for income taxes	-	55,914
Net income (loss)	$ (9,479,980)	$ (13,052,020)
Net income (loss) per share, basic and diluted	$ (0.05)	$ (1.40)
Weighted average number of common shares outstanding, basic and diluted	181,132,329	9,325,550

See accompanying notes to condensed financial statements

LAS VEGAS RAILWAY EXPRESS, INC.
STATEMENT OF STOCKHOLDERS' DEFICIT

	Common Stock Shares	Common Stock Amount	Subscriptions	Additional Paid-in Capital	Accumulated Deficit	Total
Balance, March 31, 2012	2,432,677	$ 243	$ 640,000	$ 9,976,609	$ (11,809,532)	$ (1,192,680)
Stock issued from subscriptions payable	800,000	80	(640,000)	639,920	-	-
Stock issued for servives	463,868	46	-	1,538,631	-	1,538,677
Stock issued for cash	2,282,000	228	-	2,281,772	-	2,282,000
Stock issued for conversion of debt	1,682,050	168	-	2,055,938	-	2,056,106
Exercise of warrants	45,000	5	-	8,995	-	9,000
Discount on convertible notes payable	-	-	-	440,000	-	440,000
Warrants issued for services	-	-	-	1,201,370	-	1,201,370
Warrants issued for property and equipment	-	-	-	12,763	-	12,763
Stock option compensation	-	-	-	80,524	-	80,524
Net loss	-	-	-	-	(6,766,091)	(6,766,091)
Balance, March 31, 2013	7,705,595	$ 770	$ -	$ 18,236,522	$ (18,575,623)	$ (338,331)
Stock issued for cash	600,000	60	-	274,940	-	275,000
Stock issued for conversion of debt	4,410,747	441	-	5,062,828	-	5,063,269
Stock issued for services	728,143	73	-	644,467	-	644,540
Exercise of warrants	9,823	1	-	(1)	-	-
Stock issued in exchange of warrants	2,586,835	259	-	594,783	-	595,042
Warrants issued for services	-	-	-	329,416	-	329,416
Reclassification of derivative liabilities	-	-	-	4,302,990	-	4,302,990
Net loss	-	-	-		(13,052,020)	(13,052,020)
Balance, March 31, 2014	16,041,143	$ 1,604	$ -	$ 29,445,945	$ (31,627,643)	$ (2,180,094)
Stock subscribed	87,010,002	8,701	-	543,599	-	577,300
Stock issued for compensation	1,600,000	160	-	130,465	-	130,625
Stock issued for debt	122,869,438	12,287	-	158,556	-	170,843
Stock issued for services	10,290,000	1,029	-	582,811	-	583,840
Exercise of options	31,754,894	3,176	-	2,687,590	-	2,690,766
Stock issued for notes conversion	191,713,985	19,171	-	320,575	-	339,746
Warrants issued for services	-	-	-	329,416	-	329,416
Warrants exercised	4,416,668	442	-	3,975	-	4,417
Debt expense	-	-	-	322,929	-	322,929
Stock payable	-	-	-	-	-	141,208
Net loss	-	-	-	-	(9,479,980)	(9,479,980)
Balance March 31, 2015 (Unaudited)	**465,696,130**	**46,570**	**-**	**34,525,861**	**(41,107,623)**	**(6,368,984)**

See accompanying notes to financial statements

LAS VEGAS RAILWAY EXPRESS, INC.
STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED MARCH 31, 2015 AND 2014

	For The Years Ended	
	March 31, 2015	March 31, 2014
	Unaudited	
Cash flows from operating activities		
Net loss	$ (9,479,980)	$ (13,052,020)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	71,644	7,292
Amortization of discounts on note payable	2,062,473	4,835,032
Amortization of debt offering costs	-	637,680
Impairment of Union Pacific deposit	-	600,000
Deferred tax provision	-	(55,914)
Change in value of derivative liability	(412,581)	(2,162,790)
Stock issued for services	583,840	644,540
Stock option compensation	2,687,591	-
Stock issued for compensation	130,625	
Impairment loss on goodwill	-	843,697
Debt conversion expense	322,929	2,217,878
Stock issued for exchange of warrants		595,042
Warrants issued for services	329,416	582,837
Loss on settlement on accounts payable for stock	158,555	-
Changes in operating assets and liabilities:		
Other current assets	51,275	204,593
Other assets	574,476	3,573
Liabilities of discontinued operations, net	-	(194,041)
Accounts payable and accrued expenses	1,161,738	237,806
Net cash used in operating activities	(1,757,999)	(4,054,795)
Cash flows from investing activities		
Purchases of property and equipment	-	(297,910)
Net cash used in investing activities	-	(297,910)
Cash flows from financing activities		
Proceeds from sale on shares of common stock	577,300	275,000
Proceeds from exercise of stock options	3,176	-
Proceeds from exercise of warrants	4,417	-
Proceeds from convertible notes payable	981,745	2,903,000
Proceeds from notes payable - related parties	106,138	-
Net cash provided by financing activities	1,672,776	3,178,000
Net change in cash	(85,223)	(1,174,705)
Cash, beginning of the period	87,910	1,262,615
Cash, end of the period	$ 2,687	$ 87,910
Supplemental disclosure of cash flow information:		
Interest paid	$ 13,963	$ -
Income taxes paid	$ -	$ -
Supplemental disclosure of non-cash investing and financing transactions:		
Stock issued as payment of accounts payable	$ 170,843	$ -
Stock issued for debt and accrued interest	$ 354,799	$ 2,845,391

See accompanying notes to condensed financial statements

FOR THE YEARS ENDED MARCH 31, 2015 and 2014

(1) Description of Business:

Las Vegas Railway Express, Inc. (the "Company") was formed as a Delaware corporation in March 9, 2007 as Corporate Outfitters, Inc., a development stage company. On November 3, 2008, pursuant to a common stock purchase agreement, the Company acquired 100% of the outstanding capital stock of Liberty Capital Asset Management, a Nevada corporation, formed in July of 2008 as a holding company for all the assets of CD Banc LLC in contemplation of the company going public via a reverse merger into a publicly trading corporation. CD Banc LLC was formed in 2003 as a Nevada limited liability corporation with the purpose of acquiring real estate assets and holding them for long-term appreciation. On January 21, 2010, the Company completed a share exchange and asset purchase agreement with Las Vegas Railway Express, a Nevada Corporation, and subsequently changed its name from Liberty Capital Asset Management, Inc. to Las Vegas Railway Express, Inc.

Our company, Las Vegas Railway Express, Inc., is establishing a new and innovative passenger train service between Las Vegas and the Los Angeles metropolitan area by hiring Amtrak to haul our passenger cars for a fee, between Los Angeles and Las Vegas. The proposed service, called the "X-Train," will introduce a "Las Vegas" style experience on the train, while traversing the route in approximately 5 ½ hours. We will be profitable on the very first run based on our pricing model.

(2) Summary of Significant Accounting Policies:

Basis of Presentation:

The accompanying financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Effective on December 2, 2013, the Company executed a one-for-twenty reverse split of the Company's issued and outstanding shares of common stock. All references to number of shares and per share amounts included in this report give effect to the reverse stock split.

Going Concern:

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying financial statements, the Company has net losses of $9,479,980 and $13,052,020 for the years ended March 31, 2015 and 2014, respectively. The Company also has an accumulated deficit of $41,107,625 and a negative working capital of $6,390,108 as of March 31, 2015, as well as outstanding convertible notes payable of $2,985,574, of which $86,510 is due during quarter ending June 30, 2015 and $2,630,393 is currently in default. Management believes that it will need additional equity or debt financing to be able to implement the business plan. Given the lack of revenue, capital deficiency and negative working capital, there is substantial doubt about the Company's ability to continue as a going concern.

Management is attempting to raise additional equity and debt to sustain operations until it can market its services and achieves profitability. The successful outcome of future activities cannot be determined at this time and there are no assurances that, if achieved, the Company will have sufficient funds to execute its intended business plan or generate positive operating results.

The accompanying financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Risks and Uncertainties:

The Company generates no revenues. The Company operates in an industry that is subject to intense competition and potential government regulations. Significant changes in regulations and the inability of the Company to establish contracts with rail services providers could have a materially adverse impact on the Company's operations.

Use of Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods. Amounts could materially change in the future.

Cash and Cash Equivalents:

The Company considers all highly liquid holdings with maturities of three months or less at the time of purchase to be cash equivalents.

Property and Equipment:

Property and equipment are recorded at historical cost and depreciated on a straight-line basis over their estimated useful lives of approximately five years once the individual assets are placed in service. The Company expenses all purchases of equipment with individual costs of under $500.

Long-Lived Assets:

In accordance with FASB ASC 360-10, the Company evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, the Company compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amount. Impairment, if any, is based on the excess of the carrying amount over the fair value, based on market value when available, or discounted expected cash flows, of those assets and is recorded in the period in which the determination is made. During the year ended March 31, 2015, the Company determined that $315,974 of capitalized costs relating to the leasehold improvements on leased cars and $341,438 of capitalized costs relating to 16 cars owed by the company were impaired by the change in the Company's business plan. These amounts have been expensed and included as a component of general fees during the year ended March 31, 2015.

Basic and Diluted Loss Per Share:

In accordance with FASB ASC 260, "Earnings Per Share," the basic loss per common share is computed by dividing the net loss available to common stockholders after preferred stock dividends, by the weighted average common shares outstanding during the period. Diluted earnings per share reflect per share amounts that would have resulted if diluted potential common stock had been converted to common stock. Common stock equivalents have not been included in the diluted earnings per share computation for the years ended March 31, 2015 and 2014 as the amounts are anti-dilutive. As of March 31, 2015 and 2014, the Company had 100,000 outstanding options which were excluded from the computation of net loss per share because they are anti-dilutive. As of March 31, 2015 and 2014, the Company also had convertible debt that is convertible into 2,904,352,928 and 5,339,132 shares, respectively, of common stock which was excluded from the computation. As of March 31, 2015 and 2014, the Company had 4,653,982 and 1,569,842 outstanding warrants, respectively, which were also excluded from the computation because they were anti-dilutive.

Income Taxes:

The Company accounts for income taxes under FASB ASC 740 ″Income Taxes.″ Under the asset and liability method of FASB ASC 740, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The deferred tax assets of the Company relate primarily to operating loss carryforwards for federal income tax purposes. A full valuation allowance for deferred tax assets has been provided because the Company believes it is not more likely than not that the deferred tax asset will be realized. Realization of deferred tax assets is dependent on the Company generating sufficient taxable income in future periods.

Upon the impairment of the goodwill as of March 31, 2014, the deferred tax liability no longer existed and amounted to $0 as of March 31, 2015.

The Company periodically evaluates its tax positions to determine whether it is more likely than not that such positions would be sustained upon examination by a tax authority for all open tax years, as defined by the statute of limitations, based on their technical merits. As of March 31, 2015 and 2014, the Company has not established a liability for uncertain tax positions.

Share Based Payment:

The Company issues stock, options and warrants as share-based compensation to employees and non-employees.

The Company accounts for its share-based compensation to employees in accordance FASB ASC 718. Stock-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the requisite service period.

The Company accounts for share-based compensation issued to non-employees and consultants in accordance with the provisions of FASB ASC 505-50 *"*Equity - Based Payments to Non-Employees*."* Measurement of share-based payment transactions with non-employees is based on the fair value of whichever is more reliably measurable: (*a*) the goods or services received; or (*b*) the equity instruments issued. The final fair value of the share-based payment transaction is determined at the performance completion date. For interim periods, the fair value is estimated and the percentage of completion is applied to that estimate to determine the cumulative expense recorded.

The Company values stock compensation based on the market price on the measurement date. As described above, for employees this is the date of grant, and for non-employees, this is the date of performance completion.

The Company values stock options using the Black-Scholes option pricing model. There were 31,754,894 shares of common stock exercised during the year ended March 31, 2015. There were no options issued during the year ended March 31, 2014. Assumptions used in the Black-Scholes model to value options issued during the year ended March 31, 2015 are as follows:

	Year Ended March 31, 2015	Year Ended March 31, 2014
Expected life in years	2.5	NA
Stock price volatility	170.94% - 248.72%	NA
Risk free interest rate	0.73% - 1.18%	NA
Expected dividends	NA	NA
Forfeiture rate	0%	NA

Derivative Liabilities:

In connection with the private placement of Convertible Notes beginning in February 2013, the Company became contingently obligated to issue shares of common stock in excess of the 200 million authorized under the Company's certificate of incorporation. Consequently, the ability to settle these obligations with shares would be unavailable causing these obligations to potentially be settled in cash. This condition creates a derivative liability.

The Company has a sequencing policy regarding share settlement wherein instruments with the earliest issuance date would be settled first. The sequencing policy also considers contingently issuable additional shares, such as those issuable upon a stock split, to have an issuance date to coincide with the event giving rise to the additional shares.

Using this sequencing policy, all instruments convertible into common stock, including warrants and the conversion feature of notes payable, issued on and subsequent to November 30, 2012 had been accounted for as derivative liabilities.

On December 2, 2013, the Company effected a one-for-twenty reverse stock split of the Company's issued and outstanding common stock shares. As a result, the Company's outstanding shares of common stock and common stock equivalents no longer exceeded the number of authorized shares. As a result, as of December 2, 2013, these instruments that were accounted for as derivative liabilities were reclassified as equity.

The Company also has certain warrants and embedded conversion options in notes payable with elements that qualify as derivatives. The warrants have anti-dilution clauses that prevent calculation of the ultimate number of shares that may be issued upon exercise, and four outstanding notes payable that had a variable conversion feature that similarly prevented the calculation of the number of shares into which they were convertible.

The Company values these warrants and embedded conversion options in notes payable using the binomial lattice method. The resulting liability is valued at each reporting date and the change in the liability is reflected as change in derivative liability in the statement of operations (see Note 7).

Fair Value of Financial Instruments:

The Company's financial instruments as defined by FASB ASC 825-10-50 include cash, notes payable and derivative liabilities. Derivative liabilities are recorded at fair value. The principal balance of notes payable approximates fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. FASB ASC 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which requires the reporting entity to develop its own assumptions.

In determining the appropriate fair value of the goodwill and derivative liabilities, the Company used the following input levels for its valuation methodology.

	Fair Value as of March 31, 2015	Fair Value Measurements at March 31, 2015 Using Fair Value Heirarchy		
		Level 1	Level 2	Level 3
Liabilities:				
Derivative liability	$ 2,020,763	$ -	$ 2,020,763	$ -

(3) Property and Equipment:

Property and equipment consisted of the following as of March 31, 2015 and 2014:

	March 31, 2015	March 31, 2014
Office equipment	$ 51,963	$ 61,611
Computer software	24,167	24,167
Transportation equipment under construction	-	621,802
	76,130	707,580
Less: accumulated depreciation	(19,922)	(23,173)
	$ 56,208	$ 684,407

(4) Related Party Notes payable:

A summary of outstanding notes payable is as follows:

	March 31, 2015	March 31, 2014
Promissory notes, dated June 20, 2014 to affiliates bearing interest at 10% per month, payable on demand	$ 72,500.00	$ -
Promissory note, dated February 22, 2015 to employee bearing interest at 10% per month, payable on demand	$ 33,638.00	$ -
Total outstanding notes payable	**$ 106,138**	$ -

(5) Convertible Notes Payable:

A description of outstanding convertible notes payable is as follows:

On October 1, 2013, the Company entered into a promissory note with JMJ Financial which provides for the Company to borrow up to $350,000 in principal (the "JMJ Note"). As of March 31, 2014, the Company had borrowed $150,000 under this Promissory Note. Outstanding borrowings mature two years from the effective date of each advance. If the outstanding balance of the note is repaid by the Company on or before 90 days from the effective date of the borrowing, the interest charged is 0%. However, if the Company does not repay the note within 90 days, a one-time interest charge of 12% shall be applied to the outstanding principal sum. The outstanding balance of the note may be converted into common stock at the option of the debt holder at a rate equal to the lower of $0.90 per share, or 60% of the lowest trading price in the 25 days trading days previous to the conversion date, subject to other adjustments in the agreement. During the three months ended June 30, 2014, the Company borrowed an additional $40,000 under the JMJ Note. During the three months ended June 30, 2014, JMJ Financial converted $69,785 of outstanding principal into 785,000 shares of common stock under the terms of the agreement. During the three months ended September 30, 2014, JMJ Financial converted an additional $39,490 of outstanding principal into 3,800,000 shares of common stock. During the three months ended December 31, 2014 JMJ converted $20,014 of outstanding principal into 15,415,000 shares of common stock and as of December 31, 2014, the outstanding balance of the JMJ Note amounted to $60,621.

On November 22, 2013, the Company, entered into and closed a purchase agreement (the "Purchase Agreement") with an institutional investor, pursuant to which the Company sold to the investor a senior secured convertible promissory note in the principal amount of $1,750,000 (the "Note"), and warrants to purchase 300,000 shares of common stock (the "Warrants"), for an aggregate purchase price of $1,750,000. The Note was scheduled to mature on June 30, 2014, bears interest at the rate of 10% per year payable on maturity in cash or shares of common stock at the Company's option (subject to certain conditions), and is convertible into shares of the Company's common stock at a conversion price equal to $0.70, subject to adjustment in the event of future stock splits, stock dividends, and similar transactions, or in the event of subsequent equity sales by the Company at a price lower than the conversion price then in effect. The Company's obligations under the Note are secured by substantially all of the Company's assets. The Warrants have a five-year term, are exercisable on a cash or cashless basis, and have an exercise price equal to $1.00, subject to adjustment in the event of future stock splits, stock dividends, and similar transactions, or in the event of subsequent equity sales by the Company at a price lower than the exercise price then in effect. On April 11, 2014, total principal and accrued interest of $1,818,055 were exchanged for a new note described below.

On March 24, 2014, the Company entered into a Convertible Promissory Note with Iconic Holdings, LLC (the "Iconic Note") in which the Company has access to borrow a total principal amount of $165,000. All borrowings incur interest at a rate of 8% per annum, which is payable as of the maturity date of March 24, 2015. The initial borrowing made by the Company amounted to $55,000, which represented the amount outstanding on the Iconic Note as of March 31, 2014. At the option of the debt holder, the outstanding balance may be converted at any time into shares of the Company's common stock at a conversion rate equal to the lower of $0.50 or 60% of the lowest trading price of the Company's common stock during the 25 consecutive trading days prior to conversion election date. During the three months ended June 30, 2014, the Company borrowed an additional $100,000 under the Iconic Note. During the three month ended December 31, 2014 Iconic Holdings, LLC converted $44,240 of the principal balance into 47,523,745 shares of common stock. The outstanding principal balance as of December 31, 2014 amounted to $120,760.

On March 25, 2014, the Company entered into a convertible note agreement with KBM Worldwide, Inc. (the "KBM Note")

for total principal borrowings of $68,000. The amounts are due nine months after the issuance of the note on December 25, 2014, and bear interest at a rate of 8% per annum. At the option of the debt holder, beginning 180 days after the issuance of the note, the debt holder may convert the outstanding balance of the KBM Note into shares of the Company's common stock at a conversion rate equal to 61% of the average of the lowest three closing trading prices during the 10 trading day period prior to the conversion election date. During the three months ended September 30, 2014, KBM Worldwide, Inc. converted $10,000 of outstanding principal into 877,193 shares of common stock under the terms of the agreement. During the three months ended December 31, 2014 KBM Worldwide, Inc. converted $58,000 of principal balance into 39,878,777 shares of common stock leaving an outstanding principal balance of $0.

On April 2, 2014, the Company entered into a convertible promissory note for $100,000 with Beaufort Capital Partners LLC with a maturity date of October 2, 2014. The note is convertible into shares of the Company's common stock at a discount of 42% of the lowest traded price during the 5 trading days preceding the conversion date. During the three months ended December 31, 2014 Beaufort Capital Partners LLC converted $14,300 of the principal balance into 19,072,664 shares of common stock leaving $85,700 outstanding as of December 31, 2014.

On April 11, 2014, the Company entered into a Note Exchange Agreement with the debt holder holding the $1,750,000 senior secured convertible promissory note originally issued on November 22, 2013 under the Purchase Agreement described above. Under the terms of the Note Exchange Agreement, the original senior secured convertible promissory note is cancelled and replaced with a new note for $2,000,000. The new note matured on November 30, 2014, bears interest at the rate of 10% per year payable on maturity in cash or shares of common stock at the Company's option (subject to certain conditions), and is convertible into shares of the Company's common stock at a conversion price equal to $0.45, subject to adjustments in the event of future stock splits, stock dividends, and similar transactions, or in the event of subsequent equity sales by the Company at a price lower than the conversion price then in effect. Under the new note, the Company's obligations are secured by substantially all of the Company's assets, excluding any railcar assets. The difference between the book value of the principal and accrued interest of the old note of $1,818,055 and the value of the new note of $2,000,000 of which $181,945 was recorded as interest expense during the nine months ended December 31, 2014. As of December 31, 2014, the note had an outstanding principal balance of $2,000,000.

On April 17, 2014, the Company entered into a convertible note payable with Vista Capital Investments, LLC providing for borrowings up to $250,000 with a maturity date of April 17, 2016. The note has a one-time interest charge of 12% and is due on the maturity date. The outstanding balance of the note along with accrued interest is convertible into shares of the Company's common stock at a rate equal to the lesser of $0.25 or 60% of the lowest trade occurring during the 25 trading days preceding the conversion date. The Company received proceeds under this convertible note payable of $50,000 in April 2014, which represented the outstanding balance as of December 31, 2014.

On April 30, 2014, the Company entered into a convertible note payable with Redwood Management, LLC providing for total borrowings of $250,000, which is payable in 3 installments of $83,333, the first due installment upon execution of the note, the second installment due one month after execution, and the final installment due two months after execution. Interest on the note equals 10% of the total principal balance, regardless of how long the note is outstanding. The Company received proceeds of $166,667 during the three months ended June 30, 2014, and the final $83,333 during the three months ended September 30, 2014. The convertible note matures 6 months after the issuance, at which point the outstanding principal and interest is due. During the three months ended December 31, 2014 Redwood Management, LLC converted $2,992of the principal amount into 3,500,000 shares of common stock so the outstanding balance related to this note amounted to $247,008 as of December 31, 2014.

On May 6, 2014, the Company entered into a convertible note payable with KBM Worldwide, Inc. providing for total borrowings of $32,500 which accrue interest at a rate of 8% per annum. The convertible note matures and is due in full on February 12, 2015 along with any unpaid accrued interest. The outstanding principal and accrued interest is convertible into shares of common stock at the option of the holder at a conversion rate equal to 61% of the average of the lowest 3 trading prices during the 10 trading days prior to the conversion. During the three months ended December 31, 2014 KBM Worldwide, Inc. converted $13,075 of principal balance into 20,195,402 shares of common stock. As of December 31, 2014, the principal balance of the note is $19,425.

On May 12, 2014, the Company entered into a secured convertible promissory note with Typenex Co-Investment, LLC (the "Typenex Note") providing for total borrowings up to $335,000 which accrue interest at a rate of 10% per annum. All outstanding borrowings mature and are due in 20 months from the issuance date. The Company received an initial payment of $87,500 on the note issuance date. The outstanding principal and interest is convertible into shares of common stock at the option of the holder at a conversion rate equal to the lesser of $0.35 per share or 60% of the average of the 3 lowest closing bid prices in the 20 trading days preceding the conversion date. If the average of the 3 lowest closing bid prices is less than $0.10, then the conversion factor is reduced from 60% to 55%. The debt holder was also issued warrants on May 12, 2014 in

connection with this note payable granting the right to purchase a number of common stock shares equal to $167,500 divided by the market price (defined as the higher of the closing price on the issuance date or the volume weighted average price of the stock for the trading day that is 2 days prior to the exercise date) at an exercise price of $0.35 per share. The outstanding balance related to this note amounted to $87,500 as of December 31, 2014.

On May 28, 2014, the Company entered into a convertible promissory note with Beaufort Capital Partners LLC providing for borrowings of $125,000. The convertible promissory note matured on August 28, 2014, at which point the Company owed $187,500 which includes a total of $62,500 in interest expense. The outstanding amounts are convertible into shares of common stock at the option of the holder at a conversion rate equal to 60% of the lowest traded price during the prior 20 trading days from the date of the conversion. The balance owed as of December 31, 2014 was $125,000.

On June 13, 2014, the Company entered a convertible debenture agreement with Group 10 Holdings, LLC providing for total borrowing of $55,000 which accrue interest at the rate of 12% per annum. All borrowings mature and are due in one year from the issuance date. The debenture is convertible into shares of common stock at the option of the holder at the conversion rate lesser of 55% discount of the lowest closing bid price during the 25 trading days prior to the date of notice conversion or $0.25 per share. In connection with the agreement, the Company issued 50,000 shares of common stock as a commitment fee. The fair value of the common stock issued amounted to $8,500 and has been recorded as a discount to the note payable. The amount is being amortized into interest expense through the maturity date of June 13, 2015.

On June 17, 2014, the Company entered into a convertible promissory note with KBM Worldwide, Inc. for borrowings of $32,500 which bear interest at a rate of 8% per annum. The outstanding borrowings and accrued interest are payable on March 19, 2015. The outstanding amounts are convertible into shares of common stock at the debt holder's option at a conversion rate equal to 61% of the average of the lowest three trading prices during the 10 trading days prior to the conversion.

On July 18, 2014, the Company entered into a convertible note payable with LG Capital Funding, LLC providing for total borrowings of $90,000, which is payable in 2 installments of $45,000. Interest on the note equals 8% of the total principal balance. The Company received payment of $45,000 on July 22, 2014, which represents the total amounts outstanding as of December 31, 2014. The convertible note matures 12 months after the issuance on July 17, 2015, at which point the outstanding principal and interest is due. The outstanding amounts are convertible into shares of common stock at a conversion rate equal to 57% of the lowest trading price during the fifteen trading days prior to the conversion.

On July 24, 2014, the Company entered into a security purchase agreement with ADAR Bays, LLC providing for total borrowings of $71,000, with the first note being of $36,000 and the second note being in the amount of $35,000. Interest on the note equals 8% of the total principal balance. The Company received proceeds of $36,000 on July 28, 2014, which represents the total amount outstanding as of December 31, 2014. The convertible note matures 12 months after the issuance on July 23, 2015, at which point the outstanding principal and interest is due. The outstanding amounts are convertible into shares of common stock at a conversion rate equal to 57% of the lowest trading price during the fifteen trading days prior to the conversion.

On August 15, 2014, the Company entered into a convertible promissory note with KBM Worldwide, Inc. providing for total borrowings of $32,500 which bears interest at a rate of 8% per annum. The convertible note matures on May 15, 2015, at which point the outstanding principal and interest are due. The outstanding amounts are convertible into shares of common stock at a conversion rate equal to 61% of the average of the 3 lowest trading price during the ten trading days prior to the conversion.

On September 23, 2014, the Company entered into a convertible promissory note with JSJ Investments, Inc. providing for total borrowings of $44,679 which bears interest at a rate of 15% per annum. The convertible note matures on March 23, 2015, at which point the outstanding principal and interest is due. The outstanding amounts are convertible into shares of common stock at a conversion rate equal to 61% of the average of the 3 lowest trading price during the ten trading days prior to the conversion. During the three months ended September 30, 2014, JSJ Investments, Inc. converted $15,767 of outstanding principal into 2,810,504 shares of common stock under the terms of the agreement. During the three months ended December 31, 2014 JSJ Investments, Inc. converted $28,912 of outstanding principal into 24,166,078 shares of common stock and as of December 31, 2014, the note had an outstanding principal balance of $0.

The above warrants issued with respect to the Purchase Agreement, dated November 22, 2013, and Typenex Note, dated May 12, 2014, described above have anti-dilution clauses and variable exercise rates that prevent calculation of the ultimate number of shares that may be issued upon exercise, and all of the outstanding convertible note balances described above have variable conversion features that similarly prevented the calculation of the number of shares into which they were convertible. As a result, the Company accounts for both the conversion feature associated with these notes and the warrants as derivatives. The Company values these warrants and conversion features using the Black-Scholes method. The resulting liability is valued at each reporting date and the change in the liability is reflected as change in derivative liability in the statement of operations.

The following summarizes the book value of the convertible notes payable outstanding as of March 31, 2015 and March 31, 2014:

	March 31, 2015	March 31, 2014
Principal balance of convertible notes payable outstanding	$ 2,985,574	$ 2,023,000
Less: discount on convertible notes payable	(106,729)	(601,016)
Convertible notes payable, net	$ 2,878,845	$ 1,421,984

Future scheduled maturities of these notes payable are as follows:

	Year Ended March 31,
2015	$ 2,946,024
2016	39,550
Total	$ 2,985,574

In connection with the Convertible Notes, the Company incurred debt issuance costs, which primarily represented commissions paid to acquire the debt. These costs have been capitalized and are being amortized through the maturity date of the notes. Amortization of these capitalized debt issuance costs amounted to $0 and $637,680 for the year ended March 31, 2015 and 2014, respectively, which is reflected as interest expense on the accompanying statement of operations.

(6) Commitments and Contingencies:

Operating Leases

The Company leases its facilities under a rental agreement that expires on February 28, 2017. The rental agreement includes common area maintenance, property taxes and insurance.

Future annual minimum payments under these operating leases are as follows:

Years ending March 31,	
2015	$ 2,964
2016	36,161
2017	39,125
Total	$ 78,250

Rental expense under operating leases for the years ended March 31, 2015 and 2014 was $386,554 and $332,612, respectively.

Litigation

In the ordinary course of business, the Company may be or has been involved in legal proceedings from time to time. As of the date of this annual report, there have been no material changes to any legal proceedings relating to the Company which previously were not reported.

(7) Derivative Instruments:

Excess Shares

In connection with the private placement of Convertible Notes beginning in February 2013 (see Note 5), the Company became contingently obligated to issue shares in excess of the 200 million shares authorized by stockholders. Consequently, the ability to settle these obligations with shares would be unavailable causing these obligations to potentially be settled in cash. This condition creates a derivative liability.

The Company has a sequencing policy regarding share settlement wherein instruments with the earliest issuance date would be settled first. The sequencing policy also considers contingently issuable additional shares, such as those issuable upon a stock split or anti-dilution, to have an issuance date to coincide with the event giving rise to the additional shares.

Using this sequencing policy, all instruments convertible into common stock, including warrants and the conversion feature of notes payable, issued subsequent to February 19, 2013 are classified as derivative liabilities.

Other Derivatives

The Company has certain warrants and notes payable with elements that qualify as derivatives. The warrants have anti-dilution clauses that prevent calculation of the ultimate number of shares that may be issued upon exercise, and two of the notes payable had a variable conversion feature that similarly prevented the calculation of the number of shares into which they were convertible.

The derivative liability, as it relates to the different instruments, is shown in the following table:

	For The Year Ended March 31, 2015			For The Year Ended March 31, 2014		
	Warrants	Conversion Feature of Notes Payable	Total	Warrants	Conversion Feature of Notes Payable	Total
Beginning balance, April 1	$ 205,248	$ 992,770	$ 1,198,018	$ 1,663,394	$ 1,518,143	$ 3,181,537
Additional issuances	148,903	1,086,423	1,235,326	3,232,748	2,601,417	5,834,165
Exercised/converted	-	-	-	(33,829)	(307,693)	(341,522)
Reclassification to equity	-	-	-	(3,758,287)	(1,555,085)	(5,313,372)
Change in derivative liability	(353,433)	(59,148)	(412,581)	(898,778)	(1,264,012)	(2,162,790)
Ending balance, September 30	$ 718	$ 2,020,045	$ 2,020,763	$ 205,248	$ 992,770	$ 1,198,018

The derivative liability was valued using the Black-Scholes method with the following inputs:

	Warrants For The Year Ended March 31, 2015	Notes Payable For The Year Ended March 31, 2015	Notes Payable & Warrants For The Year Ended March 31, 2014
Expected life in years	0.7 - 4.1	0.1 - 1.0	N/A
Stock price volatility	220.18 - 369.30%	163.84% - 369.30%	N/A
Discount rate	0.25% - 1.65%	0.12% - 0.25%	N/A
Expected dividends	None	None	N/A
Forfeiture rate	0%	0%	N/A

(8) Equity:

Common Stock

The Company is authorized to issue 500,000,000 shares of common stock and no other class of stock at this time. The holders of common stock are entitled to one vote per share on all matters submitted to a vote of stockholders and are not entitled to cumulate their votes in the election of directors. The holders of common stock are entitled to any dividends that may be declared by the Board of Directors out of funds legally available therefore subject to the prior rights of holders of any outstanding shares of preferred stock and any contractual restrictions we have against the payment of dividends on common stock. In the event of our liquidation or dissolution, holders of common stock are entitled to share ratably in all assets

remaining after payment of liabilities and the liquidation preferences of any outstanding shares of preferred stock. Holders of common stock have no preemptive or other subscription rights and no right to convert their common stock into any other securities.

During the year ended March 31, 2015, the company issued an aggregate of 12,869,438 shares of common stock for the conversion of $170,843 in convertible accounts payable debt. The conversion of debt resulted in additional expense of $322,929 because of decrease in stock value. During the year ended March 31, 2014, the Company issued an aggregate of 4,410,747 shares of common stock for the conversion of $2,845,411 in convertible notes payable and accrued interest. The conversion of debt into stock resulted in a debt conversion expense of $2,217,878 (see Note 5). This included 200,000 shares of common stock for the conversion of a $200,000 convertible note payable held by a related party entity owned by a Director of the Company.

During the year ended March 31, 2015, the Company issued 1,600,000 shares of common stock as employee compensation in total expense of $130,625, for services 10,290,000 shares of common stock for $583,840 and as for exercise of options the Company issued 31,754,894 shares of common stock in total expense of $2,690,766. During the year ended March 31, 2014, the Company issued an aggregate of 728,143 shares of common stock as payment for services, directors' and employee compensation resulting in total expense of $644,540.

During the year ended March 31, 2015 and 2014, the Company issued 4,416,668 and 9,823 shares of common stock, respectively, for the exercise of warrants.

During the year ended March 31, 2015, the Company sold aggregate 87,010,002 shares of common stock for total proceeds of $577,300. During the year ended March 31, 2014, the Company sold an aggregate total of 600,000 shares of common stock for total proceeds of $275,000, including 350,000 shares of common stock to a director of the Company for total proceeds of $175,000.

During the year ended March 31, 2015, the Company issued 191,713,985 shares of common stock for the conversion of $339,746 in convertible notes.

During the year ended March 31, 2014, the Company exchanged 2,875,650 outstanding warrants for 2,586,835 shares of common stock. Under the guidance in FASB ASC 718-20-35, the Company compared the fair value of the shares of common stock issued to the fair value of the warrants exchanged. To the extent that the fair value of the shares issued exceeded the value of the warrants as of the exchange dates, the Company recorded additional compensation costs. This resulted in the Company recording an additional $595,042 of expense during the year ended March 31, 2014, which is reflected as a component of compensation and payroll taxes in the accompanying statement of operations.

On May 30, 2014, the Company entered into a Debt Securities Assignment and Purchase agreement, along with a Securities Exchange and Settlement Agreement with Beaufort Capital Partners LLC ("Beaufort"). Per the terms of the agreements, the Company assigned $105,256 of outstanding accounts payable to Beaufort, in exchange for allowing Beaufort to convert the amounts into common stock, at a date of their choosing, at a rate equal to 40% of the lowest traded price over the 20 days previous to the conversion date. During the year ended March 31, 2015, Beaufort elected to convert $89,543 into 7,353,452 shares of common stock per the terms of the agreement. As of March 31, 2015 there is balance left of $15,713.

On August 8, 2014, the Company entered into Debt Securities Assignment with Macallan Partners LLC ("Macallan") which provides for the assignment of $20,000 of liabilities from the Company to Macallan in exchange for allowing Macallan to convert the amount into 1,300,000 shares of common stock at the set price of $0.0154. The difference between the conversion amount of $20,000 and the fair value of the shares issued amounted to $45,000, and was recorded as interest expense during the year ended March 31, 2015.

On September 12, 2014, the Company entered into Debt Securities Assignment with Macallan Partners LLC ("Macallan") which provides for the assignment of $15,000 of liabilities from the Company to Macallan in exchange for allowing Macallan to convert the amount into 2,000,000 shares of common stock at the set price of $0.0075. The difference between the conversion amount of $15,000 and the fair value of the shares issued amounted to $51,000, and was recorded as interest expense during the year ended March 31, 2015. As of March 31, 2015 there is balance left of $14,772.

On October 6, 2014, the Company entered into Assignment Agreement with JSJ Investments, which provides for the assignment of $25,780 of liabilities from the Company to JSJ Investments in exchange for allowing JSJ Investments to convert the amount into shares of common stock at the at a rate equal to 45% of the lowest traded price over the 20 days previous to the conversion date.

On November 24, 2014, the Company entered into Assignment and Assumption Agreement with Microcap Equity Group,

LLC, which provides for the assignment of $41,800 of liabilities from the Company to Microcap Equity Group, LLC in exchange for allowing Microcap Equity Group, LLC to convert the amount into shares of common stock at the at a rate equal to 50% of the lowest traded price over the 20 days previous to the conversion date.

On January 15, 2015, the Company entered into Assignment and Assumption Agreement with Microcap Equity Group, LLC, which provides for the assignment of $70,940 of liabilities from the Company to Microcap Equity Group, LLC in exchange for allowing Microcap Equity Group, LLC to convert the amount into shares of common stock at the at a rate equal to 50% of the lowest traded price over the 20 days previous to the conversion date.

As of March 31, 2015, the amount of $15,713 is still outstanding as Beaufort has not elected to convert the amount yet, the amount of $14,772 is still outstanding as Macallan has not elected to convert the amount yet, the amount of $44,679 is still outstanding as JSJ Investments has not elected to convert the amount yet and the amount of $66,440 is still outstanding as Microcap Equity Group LLC has not elected to convert the amount yet .

As of March 31, 2015, shares of common stock for the amount of $141,208 for debt conversion and shares for $25,000 for stock purchase agreement were not issued. As the amounts are required to be paid in common stock, the Company has classified these amounts as "Common Stock Payable", a component of stockholders' equity on the accompanying condensed balance sheet as of March 31, 2015.

Warrants

During the year ended March 31, 2015, the Company issued 7,500,808 shares of common stock in warrants, of which 745,807 shares were issued in connection with convertible promissory note and 6,755,001 shares were issued in connection with stock purchase agreements. During the year ended March 31, 2014, the Company issued an aggregate of 880,000 warrants in connection with the Convertible Notes issued during the period, as well as 236,000 warrants for the payment of commissions associated with acquiring the Convertible Notes. The Company also issued 300,000 warrants in connection with the senior convertible promissory note granted on November 22, 2013, which have been accounted for as derivative liabilities (see Note 7). During the year ended March 31, 2014, the Company issued an additional 125,000 warrants as payment of directors' services. The warrants were accounted for as derivative liabilities prior to the reverse stock split on December 2, 2013. The warrants are exercisable into shares of the Company's common stock at exercise prices between $2 and $3 per share.

The following summarizes the Company's warrant activity during the years ended March 31, 2015 and 2014.

	Warrants
Outstanding - March 31, 2013	2,924,842
Granted	1,541,000
Exercised	(20,350)
Cancelled	(2,875,650)
Outstanding - March 31, 2014	1,569,842
Granted	7,500,808
Exercised	(4,416,668)
Cancelled	-
Outstanding - March 31, 2014	4,653,982

(9) Share Based Compensation:

Stock-Option Plan

The Company's 2015 Stock Option Plan provides for the issuance of a total of 1 billion shares of common stock at the price of $0.0001 per share. Employees, who share the responsibility for the management growth or protection of the business of the Company, are eligible to receive options which are approved by the Board of Directors. These options are exercisable for a five-year period from the date of the grant.

As of March 31, 2014, the Company had 100,000 options outstanding at an exercise price of $10.00 per share. These options were fully vested as of March 31, 2013, and therefore there no further compensation cost was recorded during the year ended March 31, 2014. Stock option compensation cost recorded during the year ended March 31, 2013 amounted to $80,524. No options were granted or exercised during the years ended March 31, 2014 and 2013. The outstanding options will expire in November 2018.

Employment Agreements

The Company has an employment agreement with Michael Barron, the CEO and President of the Company, which provides for an annual salary of $200,000. In addition, Mr. Barron is entitled to receive an incentive or performance bonus equal to 17% of all outstanding shares of common stock. His employment agreement provides that if we terminate him without cause, he is entitled to receive a lump sum payment equal to twice his annual salary plus the present value of a performance bonus computed on the basis that we achieve all of our performance targets. Mr. Barron's employment agreement commenced as of February 1, 2015.

The Company has an employment agreement with Wanda Witoslawski which requires her to perform the duties of Chief Financial Officer and Treasurer of the Company for the duration of the employment agreement. During the term of this Agreement, the Company agrees to pay Ms. Witoslawski a base salary at the rate of $180,000 per year. In addition, Ms. Witoslawski is entitled to receive an incentive or performance bonus equal to 12% of all outstanding shares of common stock. Her employment agreement provides that if we terminate her without cause, she is entitled to receive a lump sum payment equal to twice her annual salary plus the present value of a performance bonus computed on the basis that we achieve all of our performance targets. Mrs. Witoslawski's employment agreement commenced as of February 1, 2015.

(10) Income Taxes:

The Company accounts for income taxes under FASB ASC 740 ″Income Taxes.″ Under the asset and liability method of FASB ASC 740, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The deferred tax assets of the Company relate primarily to operating loss carryforwards for federal income tax purposes. A full valuation allowance for deferred tax assets has been provided because the Company believes it is not more likely than not that the deferred tax asset will be realized. Realization of deferred tax assets is dependent on the Company generating sufficient taxable income in future periods.

Upon the impairment of the goodwill as of March 31, 2014, the deferred tax liability no longer existed and amounted to $0 as of March 31, 2015.

The Company periodically evaluates its tax positions to determine whether it is more likely than not that such positions would be sustained upon examination by a tax authority for all open tax years, as defined by the statute of limitations, based on their technical merits. As of March 31, 2015 and 2014, the Company has not established a liability for uncertain tax positions.

Any uncertain tax positions would be related to tax years that remain open and subject to examination by the relevant tax authorities. The Company has no liabilities related to uncertain tax positions or unrecognized benefits as of the year end March 31, 2015 or 2014. The Company has not accrued for interest or penalties associated with unrecognized tax liabilities.

As of March 31, 2015, the Company had federal net operating loss carry forwards of approximately $41.01 million, which may be available to offset future taxable income for tax purposes. These net operating loss carry forwards begin to expire in 2027 through 2032. This carry forward may be limited upon the ownership change under IRC Section 382.

(11) Related-Party Transactions:

Michael A. Barron, the CEO and President of the Company, is a 100% owner and President of Allegheny Nevada Holdings Corporation, "Allegheny". The Company was indebted to Allegheny by a certain promissory note with 10% monthly interest. As of March 31, 2015, the balance of the note was $20,400 and the accrued interest was $9,204.

Dianne David, the Company's Director Asset Development, is the spouse of the CEO, Michael A. Barron and as of March 31, 2015 holds a promissory note with 10% monthly interest and as of March 31, 2015 the principal balance is $33,638 and accrued interest of $2,921.85. Dianne David is a 100% owner of Eclipse Holding, which holds a promissory note, dated June 19, 2014 with a balance of $23,000 and accrued interest of $16,100.

Wanda Witoslawski, the CFO of the Company, holds a promissory note of 29,100 with 10% monthly interest, which equals to $18,772 as of March 31, 2015.

(12) Subsequent Event

On April 17, 2015, the Company held special meeting where the increase of authorized shares from 500,000,000 to 10,000,000,000 and the Company's name change from Las Vegas Railway Express, Inc. to X Holdings Corporation were approved by the shareholders.

During the quarter ended June 30, 2015, the Company sold 1,512,500,000 shares of common stock for $175,000.

During the quarter ended June 30, 2015, the Company issued 766,125,514 shares of common stock for promissory note conversions of $111,345.

During the quarter ended June 30, 2015, the Company issued 389,958,686 shares of common stock to employees per employment agreements.

During the quarter ended June 30, 2015, the Company issued 4,129,470,209 shares of common stock for conversion of debt of $373,576.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. Our management, with the participation of our CEO and our CFO, evaluated the effectiveness of our disclosure controls and procedures as March 31, 2014. Based on that evaluation, our CEO and our CFO concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) were effective as of March 31, 2014 such that material information required to be disclosed is made known to management and others, as appropriate, to allow timely decision regarding required disclosure and that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Management's Annual Report on Internal Control over Financial Reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes of accounting principles generally accepted in the United States.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives.

Our management, with the participation of the CEO and CFO, evaluated the effectiveness of the Company's internal control over financial reporting as of March 31, 2015. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework. Based on this evaluation, our management, with the participation of the CEO and CFO, concluded that, as of March 31, 2015, our internal control over financial reporting was effective.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to an exemption for smaller reporting companies under Section 989G of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Changes in Internal Control over Financial Reporting.

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Directors and Executive Officers

The following table sets forth information regarding our executive officers and directors:

Name	Age	Office
Michael A. Barron	64	Chairman of the Board of Directors, Chief Executive Officer
Dr. Harry Teng	52	Director
Louis M. Schillinger	65	Director
Wanda Witoslawski	50	Chief Financial Officer and Treasurer

Directors hold office for a period of one year from their election at the annual meeting of stockholders and until their successors is duly elected and qualified. Officers are elected by, and serve at the discretion of, the Board of Directors. None of the above individuals has any family relationship with any other.

Set forth below is a brief description of the background and business experience of each of our executive officers and directors.

Michael A. Barron – Chairman and Chief Executive Officer, 64

Mr. Barron has been a developer of new business enterprises for nearly 30 years. Mr. Barron began his career in 1971 where he was the Senior Planner for the City of Monterey and was the HUD liaison for the City's downtown redevelopment project. He master planned the city's redevelopment of famous Cannery Row, Fisherman's Wharf, and was Secretary of the Architectural Review Committee. Mr. Barron was the founder of Citidata, the first electronic provider of computerized real estate multiple listing service (MLS) information in the nation from 1975 to 1979. Citidata became the nation's largest provider of electronic real estate information and was sold to Moore Industries in 1979. In June 1979, TRW hired Mr. Barron to develop its real estate information services division (TRW/REIS) that acquired 11 companies in the field and eventually became the world's largest repository of real estate property information - Experian. In November 1988, he founded and served as President, until 1992, of Finet Holdings Corporation (NASDAQ:FNCM), a publicly traded mortgage broker and banking business specializing in e-mortgage financing on site in real estate offices and remote loan origination via the Internet (www.finet.com). The company was publicly traded and maintained a market capitalization of $500 million. From March 1995-1998, Mr. Barron pioneered the first nationwide commercially deployed video conference mortgage financing platform for Intel Corporation which as a licensed mortgage banker and broker in 20 states funded over $1 billion in closed loans. He later went on to serve as CEO for Shearson Home Loans and founded Liberty Capital, a $100 million asset management company based in Las Vegas, Nevada. Mr. Barron holds a B.S. degree from California Polytechnic University. Michael A. Barron has served as Director on Las Vegas Railway Express' Board of Directors since inception. Mr. Barron's experience as our president and chief executive officer quality him to serve on our board of directors.

Dr. Harry Teng – Director, 52

Dr. Teng, an Associate Professor in Transportation Engineering at the University of Nevada, Las Vegas (UNLV), has approximately 30 years of research and education experience in transportation engineering and management. He graduated from China's Beijing Jiaotong University with his B.S. and M.S. degrees in railroad engineering and management. He has a second M.S. degree from West Virginia University on railroad operations, and a Ph.D. in civil engineering from Purdue University. He has taught at Beijing Jiaotong University, Polytechnic University of New York, The University of Virginia

(UVa), and UNLV. He was the Associate Director for the Center of Transportation Studies at UVa.

Dr. Teng leads the railroad and high-speed rail program at UNLV. Currently, he is operating the Transit UTC at UNLV for which he has been involved in research with federal and local agencies and organized distinguished seminars. He has initiated the railroad, high-speed rail, and transit program at UNLV for which he has developed a curriculum and certificate program on railroad. He is the advisor for the AREMA student chapter at UNLV. In addition, he has been active in railroad professional activities.

Dr. Teng also is interested in Intelligent Transportation Systems, infrastructure maintenance, air quality analysis, freight transportation, safety, and demand forecasting. So far, he has published approximately 40 peer-reviewed technical papers.

Louis M. Schillinger – Director, 65

Insurance Specialty and Program Development, Reinsurance Negotiation terms. Experience in Risk Retention Group formation, capitalization, structure and management. 25 years experience in the Railroad Insurance Industry, as a Managing General Agent throughout North America. Created the first Railroad Owned Insurance Company filed as Risk Retention Group in Vermont. Experience Claims Management, Underwriting and Coverage development for the Rail Industry.
Created the first Michigan based Wind Energy Managing General Agency, providing development phase, construction phase, and operational phase coverage for the national wind industry.
Certified by Michigan State University in Railway Management in 2009
Steam tourist train President 2007-2011
Specialties: Railroad Risk Management, and Transfer
Energy Industry Risk Management and Transfer
Risk Retention Group Formation Management
Insurance Program Management
Railway Management
Licensed in 44 States, Resident, Non Resident, Surplus Lines

Wanda Witoslawski - Chief Financial Officer, 50

Prior to joining the Company, Ms. Witoslawski was Controller for Ocean West Enterprises 1999-2005 and managed the mortgage banking function of that California mortgage bank. Her duties included accounting responsibility for over 200 branch offices, management of a $100 million mortgage bank warehouse line, payroll, general ledger and corporate accounting for SEC filings of the publicly traded company. Upon acquisition of Ocean West by Shearson Home Loans in 2005, she became Controller of publicly traded Shearson conducting the accounting operation for a staff of 1,350 employees including payroll, branch accounting and credit line management for over $200 million in warehouse banking credit. She assisted the CEO and President in the acquisition of five mortgage companies and development of a 250 office branch system with funding in excess of $1 billion per year, controlled the expense accounting & managed Shearson's eighteen consecutive quarters of profitability. Upon Shearson's exit from mortgage banking in 2007, she joined the principals Mr. Barron and Mr. Cosio-Barron as Controller at Liberty Capital Asset Management, an investor in acquiring defaulted mortgage pools, managing public accounting documents for SEC filings and the financial supervision over the liquidation of over 4,000 mortgage loans the company had acquired. She has a Master's Degree in Economics from the University of Gdansk, Poland, a diploma in Marketing from Kensington College of Business, London, England and a diploma in professional accounting from Learning Tree University, Irvine, CA. Ms. Witoslawski is fluent in English, Polish and Russian.

Code of Ethics

The Company has adopted a Code of Ethics that applies to the Company's principal executive officer, principal financial officer and principal accounting officer.

Section 16(a) Beneficial Ownership Compliance

Our officers, directors and shareholders owning greater than ten percent (10%) of our shares are required to file beneficial ownership reports pursuant to Section 16(a) of the Securities and Exchange Act (the "Exchange Act"). To the Company's knowledge, all such reporting obligations were complied with during the year ended March 31, 2015.

Committees of the Board

The Company does not have an audit committee nor compensation committee because of the small size and early stage of the Company.

Nominating Committee

We do not have a separately designated nominating committee because the board makes all decisions regarding director nominations.

Involvement in Certain Legal Proceedings

Except as set forth below, to our knowledge, during the last ten years, none of our directors and executive officers have:

- Had a bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time.

- Been convicted in a criminal proceeding or been subject to a pending criminal proceeding, excluding traffic violations and other minor offenses.

- Been subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities.

- Been found by a court of competent jurisdiction (in a civil action), the SEC, or the Commodities Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

- Been the subject to, or a party to, any sanction or order, not subsequently reverse, suspended or vacated, of any self-regulatory organization, any registered entity, or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Shearson Financial Network, a mortgage company, filed for Chapter 11 bankruptcy protection in 2008. Michael A. Barron was CEO of the company at the time.

Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law permits a corporation to indemnify its directors and officers against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with a pending or completed action, suit or proceeding if the officer or director acted in good faith and in a manner the officer or director reasonably believed to be in the best interests of the corporation.

Our certificate of incorporation provides that, except in certain specified instances, our directors shall not be personally liable to us or our stockholders for monetary damages for breach of their fiduciary duty as directors, except for the following:

- any breach of their duty of loyalty to our company or our stockholders;

- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; and

- any transaction from which the director derived an improper personal benefit.

In addition, our certificate of incorporation and bylaws obligate us to indemnify our directors and officers against expenses and other amounts reasonably incurred in connection with any proceeding arising from the fact that such person is or was an agent of ours. Our bylaws also authorize us to purchase and maintain insurance on behalf of any of our directors or officers against any liability asserted against that person in that capacity, whether or not we would have the power to indemnify that person under the provisions of the Delaware General Corporation Law. We expect to continue to enter into agreements to indemnify our directors and officers as determined by our Board of Directors. These agreements provide for indemnification of related expenses including attorneys' fees, judgments, fines, and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these bylaw provisions and indemnification agreements are necessary to attract any retain qualified persons as directors and officers.

The limitation of liability and indemnification provisions in our certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the

likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. At present, there is no pending litigation or proceeding involving any of our directors, officers or employees regarding, which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

Insofar as the provisions of our certificate of incorporation or bylaws provide for indemnification of directors or officers for liabilities arising under the Securities Act of 1933, as amended, or the Securities Act, we have been informed that in the opinion of the Commission this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Family Relationships

There are no family relationships between any of our directors or executive officers and any other directors or executive officers, except that Dianne David Barron, the Company's Director Asset Development is the spouse of the CEO, Michael A. Barron.

Item 11. Executive Compensation.

SUMMARY COMPENSATION TABLE
Annual Compensation

Name and Principal Position (1)	Year	Salary	Bonus	Share Awards (2)	All Other Compensation	Total
Michael A. Barron						
CEO/President and	2014	$ 155,833		$ 195,072		$ 350,905
Chairman	2013	$ 254,444	$ -	$ -	$ 12,000	$ 266,444
Wanda Witoslawski	2014	$ 131,197		$ 94,936		$ 226,133
CFOTreasurer	2013	$ 230,000	$ -	$ 220,000	$ -	$ 450,000

(1) Stock value calculation based on the market price of the stock at December 31, 2014.

Employment Agreements

The Company has an employment agreement with Michael Barron, the CEO and President of the Company, which provides for an annual salary of $200,000. In addition, Mr. Barron is entitled to receive an incentive or performance bonus equal to 17% of all outstanding shares of common stock. His employment agreement provides that if we terminate him without cause, he is entitled to receive a lump sum payment equal to twice his annual salary plus the present value of a performance bonus computed on the basis that we achieve all of our performance targets. Mr. Barron's employment agreement commenced as of February 1, 2015.

The Company has an employment agreement with Wanda Witoslawski which requires her to perform the duties of Chief Financial Officer and Treasurer of the Company for the duration of the employment agreement. During the term of this Agreement, the Company agrees to pay Ms. Witoslawski a base salary at the rate of $180,000 per year. In addition, Ms. Witoslawski is entitled to receive an incentive or performance bonus equal to 12% of all outstanding shares of common stock. Her employment agreement provides that if we terminate her without cause, she is entitled to receive a lump sum payment equal to twice her annual salary plus the present value of a performance bonus computed on the basis that we achieve all of our performance targets. Mrs. Witoslawski's employment agreement commenced as of February 1, 2015.

Director Compensation for Year Ended March 31, 2015

The following table sets forth director compensation for the year ended March 31, 2015 (excluding compensation to our executive officers set forth in the summary compensation table above).

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Total ($)
John D. McPherson	9,000	-	9,000
Ronald Batory	5,000	-	5,000
Thomas Mulligan	3,000	-	3,000
Gilbert H. Lamphere	9,000	360	9,360
John O'Connor	9,000	-	9,000
George Rebensdorf	4,000	360	4,360
Harry Teng	0		0
Lou Schlinger	0		0

(1) Stock value calculation based on the market price of the stock at March 31, 2015.

We currently compensate our directors for being a Board member the equivalent of an initial 10,000,000 shares of common stock plus $12,000 annual fee for each member. Thomas Mulligan resigned as a director on June 18, 2014. George Rebensdorf resigned as a director on July 29, 2014. John D. McPherson, Ronald Batory, Gilbert H. Lamphere and John O'Connor resigned as directors in 2015.

Outstanding Equity Awards at 2015 Fiscal Year-End

The following table sets forth outstanding equity awards to our named executive officers as of March 31, 2015:

	OPTION AWARDS					STOCK AWARDS			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (#)
Michael A. Barron	50,000	-	-	$ 10.00	November 1, 2018	-	-	-	-

Stock Option Plan

The Company's 2015 Stock Option Plan provides for the issuance of a total of 1,000,000,000 shares of common stock at the price of $0.0001 per share. Employees, who share the responsibility for the management growth or protection of the business of the Company, are eligible to receive options which are approved by the Board of Directors. These options are exercisable for a five-year period from the date of the grant.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock as of March 31, 2015 by (a) each of the Company's directors and executive officers, (b) all of the Company's directors and executive officers as a group and (c) each person known by the Company to be the beneficial owner of more than five percent of its outstanding common stock.

	Amount of Beneficial	Percent of

Directors and Officers (1)	Ownership (2)	Class (3)
Michael Barron, CEO/President and Chairman (4)	47,327,827	9.52%
Wanda Witoslawski, CFO and Treasurer (5)	32,155,158	6.56%
Harry Teng, Director (6)	10,000,000	2.10%
Louis M. Schillinger, Director (7)	22,500,000	4.61%
All directors and officers as a group	**111,982,985**	**22.79%**

(1) The address of each of the beneficial owners is 9480 South Eastern Ave, Suite 205, Las Vegas, Nevada 89123.

(2) In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are currently exercisable, or become exercisable within 60 days are deemed outstanding. However, such shares are not deemed outstanding for purposes of computing the percentage ownership of any other person.

(3) Based on 456,696,129 shares outstanding as of March 31, 2015.

(4) Includes 328,103 shares held by Allegheny Nevada Holdings Corporation, which is in the sole control of Michael Barron, warrants to purchase 519,396 shares of common stock and fully vested option to exercise 31,064,086 shares of common stock.

(5) Includes fully vested option to exercise 24,665,966 shares of common stock.

(6) Includes 10,000,000 shares of common stock to be issued as a directors' compensation.

(7) Includes 10,000,000 shares of common stock to be issued as a directors' compensation and 12,500,000 shares of common stock to be issued as per stock purchase agreement.

Item 13. Certain Relationships and Related Transactions and Director Independence

Two of our directors, Harry Teng and Louis M. Schillinger, are independent directors, using the NASDAQ definition of independence.

Certain officers and directors have a beneficial ownership and are officers and directors companies which are or have been parties to financial transactions. We may be subject to various conflicts of interest in our relationship with Mr. Barron, who is executive officer, CEO and President, of the Company.

Michael A. Barron, the CEO and President of the Company, is a 100% owner and President of Allegheny Nevada Holdings Corporation, "Allegheny". The Company was indebted to Allegheny by a certain promissory note with 10% monthly interest, of which Allegheny loaned the Company funds for working capital needs. As of March 31, 2015, the balance of the note was $20,400 and the accrued interest was $9,204.

Dianne David, the Company's Director Asset Development, is the spouse of the CEO, Michael A. Barron and as of March 31, 2015 holds a promissory note with principal balance of $23,638 and accrued interest of $2,888.51. Dianne David is a 100% owner of Eclipse Holding, which holds a promissory note, dated June 19, 2014 with a balance of $23,000 and accrued interest of $16,100.

Wanda Witoslawski, the CFO of the Company, holds a promissory note of $29,100 with 10% monthly interest, which equals to $18,772 as of March 31, 2015.

Item 14. Principal Accountant Fees and Services

In accordance with the SEC's definitions and rules, "audit fees" are fees for professional services for the audit and review of our annual financial statements, and includes fees for the audit and review of our annual financial statements included in a registration statement filed under the Securities Act as well as issuance of consents and for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements except those not required by statute or regulation. "Audit-related fees" are fees for assurance and related services that were reasonably related to the performance of the audit or review of our financial statements, including attestation services that are not required by statute or regulation, due diligence and services related to acquisitions. "Tax fees" are fees for tax compliance, tax advice and tax planning, and "all other fees" are fees for any services not included in the first three categories.

Audit Fees

The aggregate fees billed by the Company's auditor for the professional services rendered in connection with the audit of the Company's annual financial statements, and reviews of the financial statements included in the Company's Forms 10-Ks for fiscal 2015 and 2014 were approximately $0 and $80,750, respectively.

Audit Related Fees

There were no audit related fees for the fiscal year ended March 31, 2015 and 2014.

Tax Fees

None.

All Other Fees

None.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(1) Financial Statements: The following financial statements are included in Item 8 of this report:

- Balance Sheets as of March 31, 2015 and 2014.
- Statements of Operations for the fiscal years ended March 31, 2015 and 2014.
- Statements of Cash Flows for the fiscal years ended March 31, 2015 and 2014.
- Statement of Stockholders' (Deficit) for the fiscal years ended March 31, 2015 and 2014.
- Notes to Financial Statements.
- Report of Independent Registered Public Accounting Firm.

(2) Exhibits:

Exhibit No.	Description
3.2	Articles of Incorporation (incorporated herein by reference to Form SB-2, filed on July 31, 2007)
3.3	By-Laws of the Registrant (incorporated herein by reference to Form SB-2, filed on July 31, 2007)
3.4A	Amended By-Laws of the Registrant dated November 3, 2008 (incorporated herein as referenced on Form 10-K, as filed on June 30, 2010)
3.4B	Amended Articles of Incorporation (incorporated herein as referenced on Form 10-K, as filed on June 30, 2010)
3.5	Amended Articles of Incorporation as dated March 19, 2010 (incorporated herein as referenced on Form 10-K, as filed on June 30, 2010)
3.6	Certificate of Merger, as dated March 19, 2010, by and between Liberty Capital Asset Management, Inc. and Las Vegas Railway Express (incorporated herein as referenced on Form 10-K, as filed on June 30, 2010)
3.7	Amended Articles of Incorporation as dated April 19, 2010 (incorporated herein as referenced on Form 10-K, as

	filed on June 30, 2010)
3.8	Amended By-Laws of the Registrant (incorporated herein as referenced on Form 10-K, as filed on June 30, 2010)
10.1	Advisory Agreement, by and between E/W Capital and Las Vegas Railway Express, Inc., dated July 1, 2010 (incorporated herein as referenced to Exhibit 12 on Form 8-K, as filed July 8, 2010)
10.2	Employment Agreement with Michael A. Barron, dated February 1, 2012 (incorporated herein as referenced on Form 10-K, as filed on July 10, 2012)
10.3	Employment Agreement with Wanda Witoslawski, dated February 1, 2012 (incorporated herein as referenced on Form 10-K, as filed on July 10, 2012)
10.4	Memorandum of Understanding with T-UPR (The Plaza Hotel & Casino), dated May 1, 2012 (incorporated herein as referenced on Form 10-K, as filed on July 10, 2012)
10.5	Union Pacific Railroad Company Public Project Reimbursement Agreement, dated December 1, 2010 (incorporated herein as referenced on Form 10-K/A, as filed on June 28, 2011)
10.6	Memorandum of Understanding with National Railroad Passenger Corporation, dated January 13, 2011 (incorporated herein as referenced on Form 10-K/A, as filed on June 28, 2011)
10.7	Form of Subscription Agreement (filed as exhibit to 8-K filed on March 19, 2013 and incorporated herein by reference).
10.8	Form of Note (filed as exhibit to 8-K filed on March 19, 2013 and incorporated herein by reference).
10.9	Form of Investor Warrant (filed as exhibit to 8-K filed on March 19, 2013 and incorporated herein by reference).
10.10	Employment Agreement with Penny White, dated June 20, 2012 (incorporated herein as referenced on Form 10-K/A, as filed on September 22, 2014)
10.11	Asset Purchase Agreement, dated November 23, 2009, closing on January 21, 2010, between the Company and Las Vegas Railway Express, a Nevada corporation. (incorporated herein as referenced on Form 10-K/A, as filed on September 22, 2014)
10.12	Consulting Agreement between the Company and Transportation Management Services, Inc. dated May 1, 2013. (incorporated herein as referenced on Form 10-K/A, as filed on September 22, 2014)
10.13	Advisory Agreement between the Company and FlatWorld Capital dated November 30, 2012. (incorporated herein as referenced on Form 10-K/A, as filed on September 22, 2014)
10.14	Leasing Agreement with Mid America Leasing Company dated September 5, 2013. (incorporated herein as referenced on Form 10-K/A, as filed on September 22, 2014)
10.15	Agreement with Masterpiece Cuisine dated November 25, 2013 (incorporated herein as referenced on Form 10-K/A, as filed on September 22, 2014)
	Reseller Agreement with Vacation.com, dated June 10, 2014
10.16	Service Agreement with Santa Fe Southern Railway, dated May 15, 2014.
10.17	Exhibits A and C to the Purchase Agreement between the Company and Cowen Overseas Investment LP, dated
10.18	November 22, 2013.
10.19	Exhibit A to the Note Exchange Agreement by and between the Company and Cowen Overseas Investment LP, dated April 11, 2014.
10.20	Attachment 1 and Exhibits A, B and C to the Secured Convertible Promissory Note with Typenex Co-Investment, LLC, dated May 12, 2014.
	Exhibits A and B to the Security Purchase Agreement with ADAR BAYS, LLC, dated July 24, 2014.
10.21	Convertible Note with KBM Worldwide, Inc., dated March 25, 2014.
10.22	Convertible Note Payable with Redwood Management, LLC, dated April 30, 2014.
10.23	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on July 1, 2013.

LAS VEGAS RAILWAY EXPRESS, INC.

By: /*s/Michael A. Barron*
Michael A. Barron, Chief Executive Officer
Principal Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated:

Name	**Title**	**Date**
/*s/Michael A. Barron* Michael A. Barron	Chief Executive Officer, President and Chairman (principal executive officer)	July 13, 2015
/s/Wanda Witoslawski Wanda Witoslawski	Chief Financial Officer (principal financial and accounting officer)	July 13, 2015
/s/Harry Teng Harry Teng	Director	July 13, 2015
/*s/Louis M. Schillinger* Louis M. Schillinger	Director	July 13, 2015

Exhibit 10.17

SERVICE AGREEMENT

This Service Agreement ("Agreement") is made and entered into as of this 15 day of May, 2014 by and between Las Vegas Railway Express, Inc. (the "Company") and Santa Fe Southern Railway, Inc. ("SFSR" or the "Service Provider") referred to individually as "Party" and collectively as "Parties".

PREAMBLE

WHEREAS, the Company is an entity which provides a passenger service and special event services on trains (the "Business");

WHEREAS, the parties have entered into an Assignment and Use Agreement dated as of April 23, 20 14 pursuant to which SFSR granted the Company exclusive rights as subcontractor to manage and control all aspects of the Excursion Services and the Special Events Services, and

WHEREAS, SFSR as the Service Provider has agreed to provide certain services and equipment to the Company in connection with the Business and maintain said equipment (the "Service Provider" as further defined below).

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which hereby acknowledged, the parties, intending to be legally bound by this Agreement, agree as follows:

1. Scope of the Agreement.

1.1 Generally. Throughout the Term (as defined in Section 3) of this Agreement, the Service Provider shall have the responsibility and authority *as* delegated by the Company for the administration of the day-to-day management of the Business of the Company as it relates to the operation of the business ("Service Provider"). The Service Provider, as set forth in greater detail on Schedule A, shall provide the following services, which may be amended or expanded from time to time by written agreement of the parties:

a. Coordination of railcars as needed with respect to the Business;

b. Assist the Company in any and all matters related to the operation which does not include food or beverage service;

c. Advise the Company with respect to operating the consists;

d. Provide materials including purchasing and stocking of parts

e. Maintain of equipment as directed by the Company;

f. Review and assist in all matters pertaining to the operation of the railcars, and in implementing, and supporting relevant policies, protocols and guidelines for the Business; such activities shall be reviewed every thirty (30) days.

1..2 The Company shall cooperate with the Service Provider in the performance of such services in all such respects as the Service Provider may reasonably request, and shall provide the Service Provider with all financial, personnel, facilities and equipment as are reasonably necessary, for the performance of such services if applicable.

1.3 Applicable Law. The Service Provider shall use its best efforts to comply with all applicable federal and state laws, statutes, rules and regulations, including applicable governmental rules or guidelines in connection with the rendering of its services under this Agreement.

2. Service Fee.

2.1 Compensation. In consideration of services to be rendered by the Service Provider, the Company has agreed to payment as set forth in Exhibit A.

2.2 Company Account. The Company shall transfer funds by automated clearing house (ACH) payment to the bank account(s) of the Service Provider for Pre-operating Costs, Base Costs, and Trip Costs upon request by Service Provider. Service Provider shall transmit electronically a payment request to the designated officer of Company showing the type of payment (referencing Exhibits A-1, A-2, or A-3 as may be appropriate) with supporting copies of bills or cost records if Exhibit A-3 is the type, and Company shall initiate the transfer within 5 business days. Service Provider and Company shall work cooperatively and quickly to address any questions which may arise concerning the basis or amount of the payments requested. Service Provider shall provide bank account and bank routing number to Company from time to time as appropriate.

2.3 Deposit Obligation. Authorized representatives of the Company and the Service Provider shall confer five days before the end of each month to agree on an estimate of the necessary cash disbursements likely to occur during the subsequent month, and Company shall then deposit by the first business of the following month an amount equal to the estimated disbursements as determined above.

3. **Term.**

3.1 Term. The Term of this Agreement shall be five (5) years, with the initial year commencing on the effective date of this Agreement and ending 365 days after the initial date of this Agreement (the "Term"), unless earlier terminated pursuant to this Section 3. The Term shall automatically renew for four additional one (1) year periods ("Renewal Term") provided neither party is in default under this Agreement and neither the Company nor the Service Provider have given notice of termination in accordance with Section 3.

3.2 Termination by Either Party. Either party may terminate this Agreement:

3.2.1 Breach. If the other party breaches this Agreement and such breach is not cured by the breaching party within thirty (30) days after the receipt of written notice of the breach or default (the "Default Notice"), or in the case of a non-monetary breach which cannot be cured within such time period, the breaching party has not made a diligent good faith effort to attempt to cure such default within one-hundred eighty (180) days, the non-breaching party may terminate this Agreement by giving the breaching party written notice of the termination.

3.2.2 Bankruptcy or Cessation of Business. Upon the occurrence of any of the following events with regard to the other party: (a) the making of a general assignment for the benefit of creditors;
(b) the filing of a voluntary petition or the commencement of any proceeding by either party for any relief under any bankruptcy or insolvency laws, or any laws relating to the relief of debtors, readjustment of indebtedness, reorganization, composition or extension; (c) the filing of any involuntary petition or the commencement of any proceeding by or against either party for any relief under any bankruptcy or insolvency laws, or any laws relating to the relief of debtors, readjustment of indebtedness, reorganization, composition or extension, which such petition or proceeding is not dismissed within sixty (60) days of the date on which it is filed or commenced; or (d) suspension of the transaction of the usual business of either patty for a period in excess of sixty (60) days.

3.2.3 At-Will Termination. Company may terminate this Agreement at any time, with or without cause, by giving the Service Provider not less than one hundred eighty (180) days' prior written notice. The Service Provider may terminate this Agreement with or without cause, at the end of the initial Term by giving the Company not less than one hundred eighty (180) days' prior written notice of its intent to terminate the Agreement at the end of the Tern1.

3.2.4 Immediate Termination by Company. The Company may terminate this Agreement immediately upon written notice to the Service Provider in the event of any termination or breach (after any cure period) by the Service Provider, for any reason, of any written agreement between the Service Provider and the Company.

3.2.5 Termination upon Mutual Agreement. The parties may terminate this Agreement at any time upon execution of a writing signed by all parties.

3.2.6 Effect of Termination. No termination of this Agreement by either party, whether with or without cause, shall affect or reduce the compensation payable to the Service Provider under this Agreement.

4. Books **and** Records.

4. J Ownership of Records. All business records and inforn1ation relating to the business and activities of either party shall be the property of that party, irrespective of identity of the party responsible for producing or maintaining such records and information, and each party shall have access to such records at all times during normal business hours.

4.2 Records. During the Term of this Agreement, the Service Provider shall keep correct and complete records of accounts, financial transactions, and all other matters relating to the Company and the Business as required under Section **1.1,** and the Company shall have access to such records at all times.

5. **Indemnification.**

5.1 Generally. Except to the extent paid from the proceeds of available insurance policies, each party (and its affiliates) agrees to indemnify and hold harmless the other party (and its affiliates) against any loss, cost, suit, claim, action, cause of action, damage, obligation, contract, demand, liability, judgment , verdict, settlement or expense (including reasonable attorneys' fees and court costs) arising out of any act or omission of the indemnifying party, its employees, attorneys, agents, or affiliates (the "Indemnified Party") that occurs in connection with this Agreement.

5.2 Notice of Claims. Etc. Upon obtaining knowledge of facts causing it to believe that it has or will have a claim for indemnification against the other party under this Agreement such party the Indemnified Party shall promptly give the other party (the "Indemnifying Party") written notice of such claim. The Indemnifying Party shall have thirty (30) days from the receipt of such notice (the "Defense Notice Period") to notify the Indemnified Party whether or not it desires to defend the Indemnified Party against such claim or demand. All costs and expenses incurred by the Indemnifying Party in defending such claim or demand shall be a liability of, and shall be paid by, the Indemnifying Party. In the event that the Indemnifying Party notifies the Indemnified Party during the Defense Notice Period that it desires to defend the Indemnified Party against such claim or demand then, except as hereinafter provided, the Indemnifying Party shall have the right to defend the Indemnified Party by appropriate proceedings using legal counsel reasonably satisfactory to the indemnified Party. Notwithstanding the foregoing, the Indemnifying Party shall not, without the prior written consent of the Indemnified Party, settle, compromise or offer to settle or compromise any such claim or demand on a basis that would result in the imposition of a consent order, injunction, decree or agreement that would restrict or affect the future activity or conduct of the Indemnified Party. The Indemnified Party may participate in, but not control, any such defense or settlement at its sole cost and expense.

6. **Miscellaneous.**

6.1 Dispute Resolution.

6.1.1 In the event of a dispute between the parties arising out of, or relating to th.is Agreement, its interpretation or performance hereunder, the parties shall exert their commercially reasonable efforts to resolve the dispute amicably through negotiations.

6.1.2 The validity, construction, and interpretation of this Agreement and all purchase orders issued hereunder shall be solely and exclusively governed by and construed in accordance with the laws of the State of Nevada, USA, excluding any otherwise applicable rules of conflict of laws.

6.1.3 The courts of the state of Nevada shall have sole and exclusive jurisdiction over the parties and subject matter of this Agreement. For implementation of this Agreement and all its consequences, each party waives such of its rights and privileges under any other law or legal system, such as the law of the place of performance, as is necessary to give effect to the term and conditions hereof. Each party hereby expressly consents to personal jurisdiction in Nevada, and expressly waives any right to object to such personal jurisdiction, or the convenience of such forum.

6.2 Status of Parties. In the performance of all work, duties and obligations under this Agreement, it is mutually understood and agreed that each party is at all times acting and performing as an independent contractor with respect to the other. Each party shall be solely responsible for and shall comply with all state and federal law pertaining to employment taxes, income withholding, unemployment compensation contribution and other employment related statutes applicable to that party, provided that the Service Provider shall be responsible for administering and taking all reasonable steps necessary or appropriate for the performance of such items of the Company.

6.3 Force Majeure. Neither party shall be deemed to be in default of this Agreement if such party is prevented from performing any obligation hereunder for any reason beyond its control, including but not limited to, Act,; of God, war, civil commotion, fire, flood or casualty, labor difficulties, shortages of or inability to obtain labor, materials or equipment, governmental regulations or restrictions, changes in applicable law, denial or loss of government certification, or unusually severe weather. In any such case, the parties agree to negotiate in good faith with the goal of preserving this Agreement and the respective rights and obligations of the parties hereunder, to the extent reasonably practicable. It is agreed that for purposes of this Agreement financial inability shall not be deemed to be a matter beyond a party's reasonable control.

6.4 Notices. Any notice, demand , approval, consent or other communication to be given hereunder by either party to the other shall be deemed to be received by the intended recipient (a) when delivered personally, (b) the day following delivery to a nationally recognized overnight courier service with proof of delivery, (c) by facsimile or e-mail transmission provided such is substantiated by personal or mail delivery, or (d) three (3) days after mailing by certified mail, postage prepaid with return receipt requested, in each case addressed to the parties as set forth below:

If to the Service Provider:

Santa Fe Southern Railway, Inc.
430-A West Manhattan Avenue
Santa Fe, NM 87501
Attn: Karl R. Ziebarth

If to the Company:

Las Vegas Railway Express, Inc.
6650 Via Austi Parkway, Suite 140
Las Vegas, NV 89119
Attn: Joseph Cosio-Barron

Any party may change the address for notice by notifying the other party, in writing, of the new address.

6.5 Entire Agreement. Except for the Assignment and Use Agreement dated April 23, 2014 which remains in full force and effect, this Agreement supersedes any and all other agreements either oral or in writing, between the pai1ies hereto with respect to the subject matter of this Agreement. This Agreement may not be changed orally, and may only be amended by an agreement in writing signed by both parties.

6.6 No Rights in Third Parties. This Agreement is not intended to, nor shall it be construed to, create any rights in any third parties (other than any Indemnified Parties).

6.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

6.8 Severability. If any provision of this Agreement shall be held by a com1or administrative agency of competent jurisdiction to be contrary to law that provision will be enforced to the maximum extent permissible, and the remaining provisions of this Agreement will remain in full force and effect, unless to do so would result in either party not receiving the benefits of its bargain.

6.9 Rights Unaffected. No amendment, supplement or tem1ination of this Agreement shall affect or impair any rights or obligations that had previously matured under this Agreement.

6.10 Successors. This Agreement shall be binding upon and shall inure to the benefit of the parties, their respective heirs, executors, administrators and assigns.

6.11 Further Actions. Each of the parties hereto agrees that it shall hereafter execute and deliver such additional instruments and undertake such additional acts as may be required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof.

6.12 Compliance with Law. The pa1ties shall (a) cooperate with one another in the fulfillment of their respective obligations under this Agreement, and (b) comply with the requirements of law and with all ordinances, statutes, regulations, directives, orders, or other lawful enactments or pronouncements of any federal, state, municipal, local or other lawful authority applicable to the Business.

6.13 Non-Assignment. The Service Provider may not assign this Agreement except with the prior written approval of the Company.

6.14 Counterpa11 s. This Agreement may be executed in one or more counterparts, each of which shall constitute an original Agreement but all of which together shall constitute one and the same instrument.

6.15 Confidentiality. Except for disclosure to its attorneys, accountants, bankers, underw1iters or lenders, or as necessary or desirable for conduct of business, neither party hereto shall disseminate or release to any third party any information regarding any provision of this Agreement, or any financial information regarding the other (past, present or future) that was

obtained by the other in the course of negotiation of this Agreement or in the course of the performance of this Agreement, without the other party's written approval; provided, however, the foregoing shall not apply to information which (i) is generally available to the public other than as a result of a breach of any confidentiality provisions, (ii) becomes available on a non-confidential basis from a source other than the other party, or its affiliates or agents, which source was not itself bound by a confidentiality agreement, or (iii) which is required to be disclosed by law, including securities laws, or pursuant to court order.

6.II 6 No Waiver. No delay or failure to exercise any right, power, or remedy accruing to either party upon breach or default under this Agreement shall be deemed a waiver of any prior or subsequent breach or default of this Agreement, nor affect the validity of any provision of this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the day and year first above written.

LAS VEGAS RAILWAY EXPRESS, INC.

By: /s/ Michael A. Barron

Name: Michael Barron

Title CEO

SANTA FE SOUTHERN RAILWA Y, INC.

By: /s/ Karl R. Ziebarth

Name: Karl R. Ziebarth

Title: Chairman of the Board, CEO & General Manager

SCHEDULE "A"

The services to be provided by the Service Provider include the following:

1) Operate passenger trains at the request of the authorized representative of the Company, consistent with time allocations ("windows") controlled by Rio Metro dispatch
2) Provide on-board service personnel qualified to serve alcoholic beverages
3) Preparation and after service clean-up of cars used in passenger service
4) Mechanical maintenance of all passenger equipment
5) Advise and assist in determining consist of specific trains and services needed for Special Events
6) Provide contact information for entertainers and presentation personnel
7) Purchase supplies and materials for on-board services as requested by Company
8) Purchase all materials and supplies necessary for mechanical maintenance of equipment
9) Provide reasonable amount of office space at Service Provider's office building
10) Assist and advise Company in negotiations with local governmental and community authorities
11) Coordinate Excursions and Special Event Services with other activities of Service Provider, such as freight and technology test projects
12) Provide hosting for PV moves as requested by Company, such as power, water, sewage and waste disposal, fuel and other supplies
13) Provide support for Special Events, and use of Service Provider's property, consistent with other activities of Service Provider
14) Provide all archived information and contacts concerning potential Excursion and Special Event business
15) Participate in monthly review of all relevant policies, protocols and guidelines for the Business;

It is agreed and w1derstood that Company shall be responsible for all revenue collection and revenue accounting, shall determine fares and prices, and shall undertake all advertising, promotion, and public contact with respect to Excursion and Special Event services.
Company shall render a monthly statement after the close of each month to Service Provider showing the total revenues and the revenue share due Service Provider, as set forth and agreed in Exhibit A item 6.

It is agreed and understood that Company shall provide, at no cost to Service Provider, all required liability insurance, specifically referencing FELA claims, and naming all parties such s but not limited to the New Mexico Department of Transportation, Rio Metro, City of Santa Fe, Santa Fe Railyard Community Corporation, John Muir Company Limited, and other parties as requested by Service Provider. In case the Company shall, at its sole discretion, determine that such liability insurance can be more effectively obtained by Service Provider, Company agrees to amend the Base Cost set forth in Exhibit A – I with immediate effect to reimburse Service Provider for the cost of such insurance.

It is agreed and understood that Company shall provide, at no cost to Service Provider, a modem high-rail pickup for service on line, In case the Company shall, at its sole discretion, determine that a high-rail pickup can more effectively be acquired by Service Provider, Company agrees to amend the Base Cost set forth in Exhibit A – 1 with immediate effect to reimburse Service Provider for the cost of leasing or purchasing a high-rail pickup.

If Company, at its sole discretion, determines that additional motive power is required to meet the service requirements for Excursion and Special Event services, it shall provide such units to Service Provider at no cost, or it will forthwith amend the Base Cost set forth in Exhibit A – 1 with immediate effect to reimburse Service Provider for the cost of leasing or purchasing such additional units. In such case, the Trip Cost set forth in Exhibit A – 2 will be amended to provide for maintaining the additional w1its on the same basis as the single unit in the mechanical section of Exhibit A - 2.

EXHIBIT "A"

1) Service Provider shall be compensated for its Base Costs each month, as agreed between the parties from time to time, whether or not the Company directs the movement of any trains or the provision of any services. The initial agreement as to the Base Costs is attached hereto as Exhibit A-1. It is the intent of the parties that said Base Costs shall be reviewed and adjusted at the end of each year of operation, based on actual expenses for said prior year, as soon as practicable after the end of each twelve (12) months of operation.

2) The Base Costs shall be paid to Service Provider on the first business day of each month at the rate shown on Exhibit A-1 (as adjusted from time to time), and shall be allocated to the Trip Costs by dividing the Base Cost by the number of round trips required by the Company, provided that the divisor cannot be less than one (1).

3) The Service Provider shall be compensated for each trip required by the Company, for which a crew is called, as set forth in Exhibit A-2. The initial agreement as to the T1ip Cost is attached hereto as Exhibit A-2. It is the intent of the pai1ies that said Trip Cost shall be reviewed and adjusted at the end of each year of operation, based on any changes in the cost of fuel, hourly compensation paid to crews, payroll tax rates, NMDOT usage charges, and any material costs, as soon as practicable after the end of each twelve (12) months of operation.

4) The Service Provider shall send a statement of the number of round trips nm on the 15th and last day of the month as soon as practicable after the end of the period, multiplied by the Trip Cost, and shall be entitled to pay this amount to itself as provided by Section 2.2 of the Services Agreement to which this Exhibit is attached.

5) The Service Provider shall be entitled to reimbursement for all costs of on-board and ancillary services requested by Company, such as but not limited to staff costs, payroll taxes, cost of liquor, wine and beer, other beverages, entertainment, and similar items plus and administration fee of 5%. Service Provider shall submit a statement of such costs to Company ten business days after the end of each month, and shall be entitled to reimbursement five business days later unless specific objection to any item is raised by Company.

6) Service Provider shall, in addition to the foregoing, be paid a revenue share equal to five percent (5%) of the total revenues received by Company for all Excursion Services and Special Event Services. Company shall provide a statement on the tenth (10th) business day of the month following each month of the contract or part thereof, and Service Provider shall be authorized to pay itself a sum equal to the revenue share for the preceding month.

7) Company shall advance cash funds necessary to clear certain existing payables in order to induce government agencies and vendors to provide licenses, services, and supplies, as set forth in Exhibit A – 3, Section 1. Said advances will be repaid to Company by deduction or offset from the share of revenue due Service Provider as set forth in this Exhibit A, item 6.

8) Company will reimburse Service Provider for Pre-operating Costs as set forth in the attached Exhibit A – 3, Section II, upon presentation of billings from contractors and suppliers.

Exhibit A - 1

SFSR BASE MONTHLY OPERATING COSTS

				Forecast
Associations	Santa Fe.org		$	50.00
	Santa Fe Chamber		$	150.00
	AAR/ASLRRA		$	150.00
		$ 350.00		
Utility	City of SF- Muir Bldg		$	32.88
	Cybermesa		$	108.59
	Neiman		$	45.00
	Lamy Water Users		$	136.75
	NM Gas - Muir Bldg		$	90.00
	PNM- Crossings		$	150.00
	PNM - Muir Bldg		$	100.00
	Waste Management NM		$	121.78
		$ 785.00		
Property Tax	SF County		$	160.00
	City/County/State Licenses		$	35.00
		$ 195.00		
Medical & Ins	Medical (Lovelace?)		$	2,500.00
	Delta Dental		$	100.00
	Property		$	650.00
	Vision Care		$	100.00
	HiRail		$	250.00
		$ 3,600.00		
Rent & Other Exp	Muir Bldg		$	2,250.00
	SFSLH Rental		$	85.00
	Office - exp		$	250.00
	Ziebarth & Assoc..Inc- exp		$	1,500.00
	Chapman exp		$	375.00
	Tax Accountant		$	150.00
	Signal Inspection - Contract		$	500.00
	Vehicle Main Operation		$	498.32
	Computer/Electronic Maintenance		$	100.00
	Building Maint - Lamy & Muir		$	88.67
	Interest		$	4,436.68
		$ 10,233.67		
P/R + taxes	Karl Ziebarth - Salary		$	2,000.00
	Billy Manfredi - Salary		$	4,000.00
	Marcus Billadeau - Hourly		$	2,000.00
	Bookkeeper - Hourly		$	1,550.00
	Track Inspector - Hourly		$	500.00
	CT-1 (employer only)	20.25%	$	2,035.13
	RUIA (employer only)	12.00%	$	751.20
		of up to $1440		
		$ 12,836.33		
	Grand Total		$	28,000.00

Exhibit A - 2

SFSR TRIP COST CALCULATION

			DAILY	PER TRIP [based on 2 RT daily]
EQUIPMENT:				
Locomotive (1):	Basis:			
Annual Maintenance Cost {incl wheel changeout)	$ 50,000.00			
Per Day (250 days)			$ 200.00	$ 100.00
Cars (running maint. wheels, brake shoes, seats, etc.)	$ 10,000.00			
Wheel changeout every 2 yrs @ $16,000 / 2 = annual	$ 8,000.00			
Per Day (250 days)	$ 72.00			
Assume loco plus 5 cars in consist; 5 cars to maintain ==			$ 360.00	$ 180.00
FUEL AND LUBRICANTS:				
Round trip == 64 gal Price per gal $ 4.00	$ 768.00			
3 RT per day 192 gal				
Lubricants @ 10% of fuel cost	$ 76.80		$ 844.80	$ 422.40
CREW:				
2 crew $25.00 per hr 8.3325				
9 hr shift $8.33 P/R tax + Fringes @ 33.3%				
18 hr $33.33 per hour			$ 599.99	$ 299.99
NMDOT				
$0.52 per car mile, loco = 2 cars	Therefore, consist = 7 units			
8 miles RT = 24 miles per day	Cost per mile $ 3.64		$ 87.36	$ 43.68
TRACK:				
14 mi @ $ 10,000.00 per mile	$ 140,000.00			
Per Day (250 days)			$ 560.00	$ 280.00
SUPERVISION/OCCUPANCY/INSURANCE (included in base monthly fee)				
CAPITAL COST RECOVERY:				
2nd hand loco - est. $400,000 cost, 6%, 10yr term			$217.39	$ 108.69
	GRAND TOTAL		$ 2,869.53	$ 1,434.77
	PROFIT MARGIN 20%		$ 573.91	$ 286.95
	BILLING RATE		$ 3,443.44	$ 1,721.72
	NM GRT @ 8.1875%		$ 281.93	$ 140.97
	INVOICE TOTAL		$ 3,725.37	$ 1,862.69

FSR START-UP COST BUDGET - BY MONTH

Exhibit A - 3

Section I: Advances vs. Revenue Share			Plan Month One		Plan Month Two		Total
Taxes/NMOOT	NM Rev & Taxation - to renew liquor license	$	15,100.00			$	15,100.00
	NM Alcohol & Gaming - renew license	$	1,850.00			$	1,850.00
	NM DoT - Arrears in Usage Charges	$	2,250.00			$	2,250.00
Small vendors restart shipments/services	SF Auto Repair	$	507.00			$	507.00
	Concentra - reopen medical exams	$	790.00			$	790.00
	Dunn & Assoc. -- computer/internet changes			$	400.00	$	400.00
	Motive Power Services -- back bills to loco mechanic	$	2,435.00			$	2,435.00
	LWUA Fee	$	1,000.00			$	1,000.00
	Others - minor expense items	$	1,000.00	$	1,000.00	$	2,000.00
	Community Relations (unpaid commitments)	$	1,000.00	$	3,500.00	$	4,500.00
	Contingency			$	168.00	$	168.00
	Subtotal	$	25,932.00	$	5,068.00	$	31,000.00
Section II: Staff Costs During Start-Up Period							
Personnel	Staff costs	$	7,500.00	$	7,500.00	$	15,000.00
	Payroll taxes	$	2,418.75	$	2,418.75	$	4,837.50
	Concentra - operating personnel exams	$	1,000.00	$	500.00	$	1,500.00
	Travel Expenses	$	4,000.00	$	4,000.00	$	8,000.00
Medical & Ins	Medical (Lovelace?) - first month premiums			$	3,500.00	$	3,500.00
	HiRail/vehicle insurance - downpayment	$	500.00	$	250.00	$	750.00
	Contingency	$	244.50	$	168.00	$	412.50
	Subtotal	$	15,663.25	$	18,336.75	$	34,000.00
Section II: Training and Qualification Costs During Start-Up Period							
	Locomotive Fuel and Lubricant	$	1,800.00	$	1,800.00	$	3,600.00
	NMDOT Trackage Charges	$	200.00	$	200.00	$	400.00
	Subtotal	$	2,000.00	$	2,000.00	$	4,000.00
	Grand Total Cash Requirement Acctual	$	43,595.25	$	25,404.75	$	69,000.00

DATED 11/20/13

EXHIBIT C

NEITHER THESE SECURITIES NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY , MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THESE SECURITIES AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT SECURED BY SUCH SECURITIES.

LAS VEGAS RAILWAY EXPRESS, INC.

WARRANT

Warrant

Original Issue Date: November 22, 2013

LAS VEGAS RAILWAY EXPRESS, INC., a Delaware corporation (the "Company"), hereby certifies that, for value received , Cowen Overseas Investment LP or its registered assigns (the "Holder"), is entitled to purchase from the Company up to a total of 6,000,000 shares of Common Stock (each such share, a "Warrant Share" and all such shares, the "Warrant Shares"), at any time and from time to time from and after the Original Issue Date through and including November 21, 2018 (the "Expiration Date"), and subject to the following terms and conditions:

1. Definitions. As used in this Warrant, the following terms shall have the respective definitions set forth in this Section 1. Capitalized terms that are used and not defined in this Warrant that are defined in the Purchase Agreement (as defined below) shall have the respective definitions set forth in the Purchase Agreement.

"Business Day" means any day except Saturday, Sunday and any day that is a federal legal holiday or a day on which banking institutions in the State of New York or State of California are authorized or required by law or other governmental action to close.

"Common Stock" means the common stock of the Company, $0.0001 par value per share, and any securities into which such common stock may hereafter be reclassified.

"Exercise Price" means $0.05, subject to adjustment in accordance with Section 9."Fundamental

Transaction" means any of the following: (1) the Company effects any merger or consolidation of the Company with or into another Person, (2) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (3) any tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (4) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property.

"Original Issue Date" means the Original Issue Date first set forth on the first page of this Warrant.

"New York Courts" means the state and federal courts sitting in the City of New York, Borough of Manhattan.

"Purchase Agreement" means the Purchase Agreement, dated November 12.21, 2013, to which the Company and the original Holder are parties.

"Trading Day" means (i) a day on which the Common Stock is traded on an Eligible Market, or (ii) if the Common Stock is not listed on an Eligible Market, a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board or the OTC Markets Group, or (iii) if the Common Stock is not quoted on the OTC Bulletin Board, a day on which the Common Stock is quoted in the over-the-counter market as reported by the OTC Markets Group (or any similar organization or agency succeeding to its functions of reporting prices); provided, that in the event that the Common Stock is not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

2. Registration of Warrant. The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

3. Registration of Transfers. The Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant, with the Form of Assignment attached hereto duly completed and signed, to the Company at its address specified herein. Upon any such registration or transfer, a new Warrant to purchase Common Stock, in substantially the form of this Warrant (any such new Warrant, a "New Warrant"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations of a holder of a Warrant.

4. Exercise and Duration of Warrants. This Warrant shall be exercisable by the registered Holder at any time and from time to time from and after the Original Issue Date through and including the Expiration Date. At 6:30 p.m., New York City time on the Expiration Date, the portion of this Warrant not exercised prior thereto shall be and become void and of no value. The Company may not call or redeem any portion of this Warrant without the prior written consent of the affected Holder.

5. Delivery of Warrant Shares.

(a) To effect exercises hereunder , the Holder shall not be required to physically surrender this Warrant unless the aggregate Warrant Shares represented by this Warrant is being exercised. Upon delivery of the Exercise Notice (in the form attached hereto) to the Company (with the attached Warrant Shares Exercise Log) at its address for notice set forth herein and upon payment of the Exercise Price multiplied by the number of Warrant Shares that the Holder intends to purchase hereunder , the Company shall promptly (but in no event later than three Trading Days after the Date of Exercise (as defined herein)) issue and deliver to the Holder, a certificate for the Warrant Shares issuable upon such exercise, which, unless otherwise required by the Purchase Agreement, shall be free of restrictive legends. The Company shall, upon request of the Holder and subsequent to the date on which a registration statement covering the resale of the Warrant Shares has been declared effective by the Securities and Exchange Commission , use its reasonable best efforts to deliver Warrant Shares hereunder electronically through the Depository Trust Corporation or another established clearing corporation performing similar functions, if available, provided , that, the Company may, but will not be required to change its transfer agent if its current transfer agent cannot deliver Warrant Shares electronically through the Depository Trust Corporation . A **"Date of Exercise"** means the date on which the Holder shall have delivered to the Company: (i) the Exercise Notice (with the Warrant Exercise Log attached to it), appropriately completed and duly signed and (ii) if such Holder is notutilizing the cashless exercise provisions set forth in this Warrant, payment of the Exercise Price for the number of Warrant Shares so indicated by the Holder to be purchased.

(b) If by the third Trading Day after a Date of Exercise the Company fails to deliver the required number of Warrant Shares in the manner required pursuant to Section 5(a), then the Holder will have the right to rescind such exercise.

(c) If by the third Trading Day after a Date of Exercise the Company fails to deliver the required number of Warrant Shares in the manner required pursuant to Section 5(a), and if after such third Trading Day and prior to the receipt of such Warrant Shares, the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a **"Buy-In"),** then the Company shall (1) pay in cash to the Holder the amount by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (A) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue by (B) the closing bid price of the Common Stock on the Date of Exercise and (2) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored or deliver to the Holder the number of shares of Common Stock that would have been issued had the

Company timely complied with its exercise and delivery obligations hereunder. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In.

(d) The Company's obligations to issue and deliver Warrant Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Warrant Shares. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing Warrant Shares upon exercise of the Warrant as required pursuant to the terms hereof.

6. Charges, Taxes and Expenses. Issuance and delivery of Warrant Shares upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, withholding tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or Warrants in a name other than that of the Holder. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Warrant Shares upon exercise hereof.

7. Replacement of Warrant. If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity (which shall not include a surety bond), if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures and pay such other reasonable third-party costs as the Company may prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

8. Reservation of Warrant Shares. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, 150% of the number of Warrant Shares which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of Persons other than the Holder (taking into account the adjustments and restrictions of Section 9). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly

authorized, issued and fully paid and non-assessable.

9. Certain Adjustments. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 9.

(a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) Fundamental Transactions. If, at any time while this Warrant is outstanding there is a Fundamental Transaction, then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of the number of Warrant Shares then issuable upon exercise in full of this Warrant (the **"Alternate Consideration").** For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. At the Holder's request, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a new warrant substantially in the form of this Warrant and consistent with the foregoing provisions and evidencing the Holder's right to purchase the Alternate Consideration for the aggregate Exercise Price upon exercise thereof. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this paragraph (b) and insuring that the Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(c) Subsequent Equity Sales.

(i) If at any time while this Warrant is outstanding, the Company or any subsidiary thereof, as applicable, shall at any time issue shares of Common Stock or Common Stock Equivalents entitling any Person to acquire shares of Common Stock, at a price per share less than the Exercise Price (if the holder of the Common Stock or Common Stock Equivalent so issued shall at any time, whether by operation of purchase price adjustments , reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights issued in connection with such issuance, be entitled to receive shares of Common Stock at a price less than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price), then, the Exercise Price shall automatically be reduced to equal such lower price. Such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued. The Company shall notify the Holder in writing, no later than the Trading Day following the issuance of any Common Stock or Common Stock Equivalent subject to this section, indicating therein the applicable issuance price, or of applicable reset price, exchange price, conversion price and other pricing terms, but failure to provide such notice will not delay or affect the reduction of the Exercise Price. If, while this Warrant is outstanding, the Company enters into any understanding or agreement to issue or sell securities, or otherwise engages in discussions with any Person in connection with a potential issuance or sale of securities that would trigger an adjustment to the Exercise Price, then notwithstanding the fact that such actual issuance of Common Stock or Common Stock Equivalents occurs after the term of the Warrant, such issuance will be treated as if it had occurred prior to the expiration of the Warrant term.

(ii) For purposes of this subsection 9(c), the following subsections (c)(ii)(l) to (c)(ii)(6) shall also be applicable:

(1) Issuance of Rights or Options. If at any time the Company shall in any manner grant (directly and not by assumption in a merger or otherwise) any warrants or other rights to subscribe for or to purchase, or any options for the purchase of, Common Stock or any stock or security convertible into or exchangeable for Common Stock (such warrants, rights or options being called **"Options"** and such convertible or exchangeable stock or securities being called **"Convertible Securities")** whether or not such Options or the right to convert or exchange any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon the exercise of such Options or upon the conversion or exchange of such Convertible Securities (determined by dividing (i) the sum (which sum shall constitute the applicable consideration) of (x) the total amount, if any, received or receivable by the Company as consideration for the granting of such Options, plus (y) the aggregate amount of additional consideration payable to the Company upon the exercise of all such Options, plus (z), in the case of such Options which relate to Convertible Securities, the aggregate amount of additional consideration , if any, payable upon the issue or sale of such Convertible Securities and upon the conversion or exchange thereof, by (ii) the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Options) shall be less than the Exercise Price in effect immediately prior to the time of the granting of such Options, then the total number of shares of Common Stock issuable upon the exercise of such Options or upon conversion or exchange of the total amount of such Convertible

Securities issuable upon the exercise of such Options shall be deemed to have been issued for such price per share as of the date of granting of such Options or the issuance of such Convertible Securities and thereafter shall be deemed to be outstanding for purposes of adjusting the Exercise Price. Except as otherwise provided in subsection 9(c)(ii)(3), no adjustment of the Exercise Price shall be made upon the actual issue of such Common Stock or of such Convertible Securities upon exercise of such Options or upon the actual issue of such Common Stock upon conversion or exchange of such Convertible Securities.

(2) Issuance of Convertible Securities. If the Company shall in any manner issue (directly and not by assumption in a merger or otherwise) or sell any Convertible Securities, whether or not the rights to exchange or convert any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange (determined by dividing (i) the sum (which sum shall constitute the applicable consideration) of (x) the total amount received or receivable by the Company as consideration for the issue or sale of such Convertible Securities, plus (y) the aggregate amount of additional consideration, if any, payable to the Company upon the conversion or exchange thereof, by (ii) the total number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities) shall be less than the Exercise Price in effect immediately prior to the time of such issue or sale, then the total maximum number of shares of Common Stock issuable upon conversion or exchange of all such Convertible Securities shall be deemed to have been issued for such price per share as of the date of the issue or sale of such Convertible Securities and thereafter shall be deemed to be outstanding for purposes of adjusting the Exercise Price, provided that (a) except as otherwise provided in subsection 9(c)(ii)(3), no adjustment of the Exercise Price shall be made upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities and (b) no further adjustment of the Exercise Price shall be made by reason of the issue or sale of Convertible Securities upon exercise of any Options to purchase any such Convertible Securities for which adjustments of the Exercise Price have been made pursuant to the other provisions of subsection 9(c).

(3) Change in Option Price or Conversion Rate. Upon the happening of any of the following events, namely, if the purchase price provided for in any Option referred to in subsection 9(c)(ii)(l) hereof, the additional consideration, if any, payable upon the conversion or exchange of any Convertible Securities referred to in subsections 9(c)(ii)(l) or 9(c)(ii)(2), or the rate at which Convertible Securities referred to in subsections 9(c)(ii)(l) or 9(c)(ii)(2) are convertible into or exchangeable for Common Stock shall change at any time (including, but not limited to, changes under or by reason of provisions designed to protect against dilution), the Exercise Price in effect at the time of such event shall forthwith be readjusted to the Exercise Price which would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold. On the termination of any Option for which any adjustment was made pursuant to this subsection 9(c) or any right to convert or exchange Convertible Securities for which any adjustment was made pursuant to this subsection 9(c) (including without limitation upon the redemption or purchase for consideration of such Convertible Securities by the Company), the Exercise Price then in effect hereunder shall forthwith be changed to the Exercise Price which would have been

in effect at the time of such termination had such Option or Convertible Securities, to the extent outstanding immediately prior to such termination, never been issued.

(4) Stock Dividends. Subject to the provisions of this Section 9(c), if the Company shall declare a dividend or make any other distribution upon any stock of the Company (other than the Common Stock) payable in Common Stock, Options or Convertible Securities, then any Common Stock, Options or Convertible Securities, as the case may be, issuable in payment of such dividend or distribution shall be deemed to have been issued or sold without consideration.

(5) Consideration for Stock. If any shares of Common Stock, Options or Convertible Securities shall be issued or sold for cash, the consideration received therefor shall be deemed to be the net amount received by the Company therefor, after deduction therefrom of any expenses incurred or any underwriting commissions or concessions paid or allowed by the Company in connection therewith. If any shares of Common Stock, Options or Convertible Securities shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be deemed to be the fair value of such consideration as determined in good faith by the Board of Directors of the Company , after deduction of any expenses incurred or any underwriting commissions or concessions paid or allowed by the Company in connection therewith. If any Options shall be issued in connection with the issue and sale of other securities of the Company, together comprising one integral transaction in which no specific consideration is allocated to such Options by the parties thereto, such Options shall be deemed to have been issued for such consideration as determined in good faith by the Board of Directors of the Company. If Common Stock, Options or Convertible Securities shall be issued or sold by the Company and, in connection therewith , other Options or Convertible Securities (the **"Additional Rights")** are issued, then the consideration received or deemed to be received by the Company shall be reduced by the fair market value of the Additional Rights (as determined using the Black-Scholes option pricing model or another method mutually agreed to by the Company and the Holder). The Board of Directors of the Company shall respond promptly, in writing, to an inquiry by the Holders as to the fair market value of the Additional Rights. In the event that the Board of Directors of the Company and the Holders are unable to agree upon the fair market value of the Additional Rights, the Company and the Holders shall jointly select an appraiser, who is experienced in such matters. The decision of such appraiser shall be final and conclusive, and the cost of such appraiser shall be borne evenly by the Company and the Holder.

(6) Record Date. If the Company shall take a record of the holders of its Common Stock for the purpose of entitling them (i) to receive a dividend or other distribution payable in Common Stock, Options or Convertible Securities or (ii) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(iii) Notwithstanding the foregoing, no adjustment will be made under this paragraph (c) in respect of: (i) the issuance of securities upon the exercise or conversion of

any Common Stock or Common Stock Equivalents issued by the Company prior to the date hereof (but will apply to any amendments , modifications and reissuances thereof), or (ii) the grant of options, warrants or other Common Stock Equivalents under any duly authorized Company stock option, restricted stock plan or stock purchase plan whether now existing or hereafter approved by the Company and its stockholders in the future (but not as to any amendments or other modifications to the amount of Common Stock issuable thereunder , the terms set forth therein, or the exercise price set forth therein) and the issuance of Common Stock in respect thereof.

(d) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to this Section 9 (other than pursuant to Section 9(c)), the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately , so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(e) Calculations. All calculations under this Section 9 shall be made to the nearest cent or the nearest 1/1OOth of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock.

(f) Notice of Adjustments. Upon the occurrence of each adjustment pursuant to this Section 9, the Company at its expense will promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. Upon written request, the Company will promptly deliver a copy of each such certificate to the Holder and to the Company's Transfer Agent.

(g) Notice of Corporate Events. If the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Common Stock, including without limitation any granting of rights or warrants to subscribe for or purchase any capital stock of the Company or any Subsidiary, (ii) authorizes or approves, enters into any agreement contemplating or solicits stockholder approval for any Fundamental Transaction or (iii) authorizes the voluntary dissolution, liquidation or winding up of the affairs of the Company, then the Company shall deliver to the Holder a notice describing the material terms and conditions of such transaction (but only to the extent such disclosure would not result in the dissemination of material, non-public information to the Holder) at least 10 calendar days prior to the applicable record or effective date on which a Person would need to hold Common Stock in order to participate in or vote with respect to such transaction , and the Company will take all steps reasonably necessary in order to insure that the Holder is given the practical opportunity to exercise this Warrant prior to such time so as to participate in or vote with respect to such transaction; provided , however, that the failure to deliver such notice or any defect therein shall not affect the validity of the corporate action required to be described in such notice.

10. Payment of Exercise Price. The Holder may pay the Exercise Price in one of the following manners:

(a) Cash Exercise. The Holder may deliver immediately available funds; or

(b) Cashless Exercise. The Holder may notify the Company in an Exercise Notice of its election to utilize cashless exercise, in which event the Company shall issue to the Holder the number of Warrant Shares determined as follows:

$$X = Y[(A-B)/A]$$

where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares with respect to which this Warrant is being exercised.

A = the average of the closing prices for the five Trading Days immediately prior to (but not including) the Exercise Date.

B = the Exercise Price.

For purposes of Rule 144 promulgated under the Securities Act, it is intended, understood and acknowledged that the Warrant Shares issued in a cashless exercise transaction shall be deemedto have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the date this Warrant was originally issued.

11. Limitations on Exercise.

(a) Notwithstanding anything to the contrary contained herein, the number of Warrant Shares that may be acquired by the Holder upon any exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act, does not exceed 4.9% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction as contemplated in Section 9 of this Warrant. By written notice to the Company, the Holder may waive the provisions of this Section 11(a) but any such waiver will not be effective until the 61st day after delivery thereof.

(b) Notwithstanding anything to the contrary contained herein, the number of Warrant Shares that may be acquired by the Holder upon any exercise of this Warrant (or

otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act, does not exceed 9.9% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction as contemplated in Section 9 of this Warrant. This restriction may not be waived, and notwithstanding anything to the contrary in any Transaction Document, may not be amended by agreement of the parties. Notwithstanding anything to the contrary contained in this Warrant or in any other Transaction Document, (a) no term of this Section may be waived by any party, nor amended such that the threshold percentage of ownership would be directly or indirectly increased, (b) no amendment or modification to any Transaction Document may be made such that it would have the effect of modifying or waiving any term of this Section in violation of this restriction , (c) this restriction runs with the Warrant and may not be modified or waived by any subsequent holder hereof and
(d) any attempted waiver , modification or amendment of this Section will be void ab initio.

12. No Fractional Shares. No fractional shares of Warrant Shares will be issued in connection with any exercise of this Warrant. In lieu of any fractional shares which would , otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the closing price of one Warrant Share as reported by the applicable Trading Market on the date of exercise.

13. Notices. Any and all notices or other communications or deliveries hereunder (including, without limitation, any Exercise Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission , if such notice or communication is delivered via facsimile at the facsimile number specified in this Section prior to 6:30 p.m. (New York City time) on a Trading Day, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 6:30 p.m. (New York City time) on any Trading Day, (iii) the Trading Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be: (i) if to the Company, to Las Vegas Railway Express, Inc., 6650 Via Austi Parkway, Suite 140, Las Vegas, Nevada 89119, Attention: President, or to Facsimile No.: [ ] (or such other address as the Company shall indicate in writing in accordance with this Section), or (ii) if to the Holder, to the address or facsimile number appearing on the Warrant Register or such other address or facsimile number as the Holder may provide to the Company in accordance with this Section.

14. Warrant Agent. The Company shall serve as warrant agent under this Warrant. Upon 10 days' notice to the Holder, the Company may appoint a new warrant agent. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent

shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or shareholders services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the Warrant Register.

15. Miscellaneous.

(a) This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns. Subject to the preceding sentence, nothing in this Warrant shall be construed to give to any Person other than the Company and the Holder any legal or equitable right, remedy or cause of action under this Warrant. This Warrant may be amended only in writing signed by the Company and the Holder and their successors and assigns.

(b) All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of this Warrant and the transactions herein contemplated **("Proceedings")** (whether brought against a party hereto or its respective Affiliates, employees or agents) shall be commenced exclusively in the New York Courts. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any New York Court, or that such Proceeding has been commenced in an improper or inconvenient forum. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Warrant or the transactions contemplated hereby. If either party shall commence a Proceeding to enforce any provisions of this Warrant, then the prevailing party in such Proceeding shall be reimbursed by the other party for its attorney's fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Proceeding.

(c) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(d) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a

commercialy reasonable substitute therefor , and upon so agreeing, shall incorporate such substitute provision in this Warrant.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

LAS VEGAS RAILWAY EXPRESS, INC.

By: /s/Michael Barron

Michael Barron

CEO

EXERCISE NOTICE
LAS VEGAS RAILWAY EXPRESS, INC.
WARRANT DATED [ ], 2013

The undersigned Holder hereby irrevocably elects to purchase shares of Common Stock pursuant to the above referenced Warrant. Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Warrant.

(1) The undersigned Holder hereby exercises its right to purchase_____ Warrant Shares pursuant to the Warrant.

(2) The Holder intends that payment of the Exercise Price shall be made as (check one):

"Cash Exercise" under Section 10"Cashless

Exercise" under Section 10

(3) If the holder has elected a Cash Exercise, the holder shall pay the sum of $_____ to the Company in accordance with the terms of the Warrant.

(4) Pursuant to this Exercise Notice, the Company shall deliver to the holder _Warrant Shares in accordance with the terms of the Warrant.

(5) By its delivery of this Exercise Notice, the undersigned represents and warrants to the Company that in giving effect to the exercise evidenced hereby the Holder will not beneficially own in excess of the number of shares of Common Stock (determined in accordance with Section 13(d) of the Securities Exchange Act of 1934) permitted to be owned under Section 11 of this Warrant to which this notice relates.

Dated:_____, _____

Name of Holder:

(Print)_____

By:_____
Name:_____
Title: . _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

Warrant Shares Exercise Log

Date	Number of Warrant Shares Available to be Exercised	Number of Warrant Shares Exercised	Number of Warrant Shares Remaining to be Exercised

LAS VEGAS RAILWAY EXPRESS, INC.
WARRANT ORIGINALLY ISSUED [ ],
2013 WARRANT NO. [ ]

FORM OF ASSIGNMENT

[To be completed and signed only upon transfer of Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the right represented by the above-captioned Warrant to purchase shares of Common Stock to which such Warrant relates and appoints _____ attorney to transfer said right on the books of the Company with full power of substitution in the premises.

Dated: ___

_____
(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

_____
Address of Transferee

_____

_____

EXHIBIT A

NEITHER THESE SECURITIES NOR THE SECURITIES ISSUABLE UPON CONVERSION OF THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY , MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THESE SECURITIES AND THE SECURITIES ISSUABLE UPON CONVERSION OF THESE SECURITIES MAY BE PLEDGED IN A MANNER CONSISTENT WITH THE SECURITIES ACT IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT SECURED BY SUCH SECURITIES.

$1,750,000
Original Issue Date: November 22, 2013

LAS VEGAS RAILWAY EXPRESS, INC.
10% SENIOR SECURED CONVERTIBLE PROMISSORY NOTE DUE JUNE 30, 2014

FOR VALUE RECEIVED, LAS VEGAS RAILWAY EXPRESS, INC., a Delaware corporation (the "Company") promises to pay to the order of Cowen Overseas Investment LP or its registered assigns (the "Investor") , the principal sum of One Million Seven Hundred Fifty Thousand Dollars ($1,750,000), on June 30, 2014 or such earlier date as this Note is required to be repaid as provided hereunder (the "Maturity Date"), and to pay interest to the Investor on the principal amount of this Note outstanding from time to time in accordance with the provisions hereof. All of the obligations of the Company under this Note are secured pursuant to the terms of that certain Security Agreement, dated the date hereof, between the Company and the Investor (the "Security Agreement"). This Note is subject to the following additional provisions:

1. Definitions. In addition to the terms defined elsewhere in this Note: (a) capitalized terms that are used but not otherwise defined herein have the meanings given to such terms in the Purchase Agreement, dated as of November 22, 2013, among the Company and the

Investor (the **"Purchase Agreement"),** and (b) the following terms have the meanings indicatedbelow in this Section 1:

"Bankruptcy Code" means Title 11 of the United States Code (11 U .S.C. 101 et seq.), as amended from time to time (including any successor statute) and all rules and regulationspromulgated thereunder.

"Bankruptcy Event" means any of the following events: (a) the Company or any Subsidiary commences a case or other proceeding under any bankruptcy , reorganization ,arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation orsimilar law of any jurisdiction relating to the Company or any Subsidiary thereof; (b) there iscommenced against the Company or any Subsidiary any such case or proceeding that is notdismissed within 60 days after commencement ; (c) the Company or any subsidiary is adjudicatedby a court of competent jurisdiction insolvent or bankrupt or any order of relief or other order approving any such case or proceeding is entered; (d) the Company or any Subsidiary suffers anyappointment of any custodian or the like for it or any substantial part of its property that is notdischarged or stayed within 60 days; (e) under applicable law the Company or any Subsidiarymakes a general assignment for the benefit of creditors; (f) the Company or any Subsidiary failsto pay, or states that it is unable to pay or is unable to pay, its debts generally as they becomedue; (g) the Company or any Subsidiary calls a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or (h) the Company or any Subsidiary, by any act or failure to act, expressly indicates its consent to, approval of or acquiescence in any ofthe foregoing or takes any corporate or other action for the purpose of effecting any of theforegoing.

"Bankruptcy Law" means the Bankruptcy Code of the United States and all other liquidation, conservatorship , bankruptcy , assignment for the benefit of creditors, moratorium , rearrangement , receivership , insolvency, fraudulent conveyance or transfer, reorganization , or similar state or Federal debtor relief laws, statutes, rules, regulations, orders, or ordinances of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditorsgenerally.

"Change of Control" means the occurrence of any of the following in one or a series of related transactions: (i) an acquisition after the date hereof by an individual or legal entity or "group" (as described in Rule 13d-5(b)(l) under the Exchange Act) of more than one-third of the voting rights or equity interests in the Company; (ii) a replacement of more than one-half of the members of the Company's board of directors in a twelve month period that is not approved (as evidenced by such directors' votes at one or more meetings of the board of directors convened for such purpose) by those individuals who are members of the board of directors on the date which commences such twelve month period (or other directors previously approved by such individuals); (iii) a Fundamental Transaction (as defined in Section lO(c)), a merger or consolidation of the Company or any Subsidiary or a sale or distribution of more than one-half of the assets of the Company in one or a series of related transactions , unless following such transaction or series of transactions , the holders of the Company's securities prior to the first such transaction continue to hold at least two-thirds of the voting rights and equity interests in the surviving entity or acquirer of such assets; (iv) a recapitalization , reorganization or other transaction involving the Company or any Subsidiary that constitutes or results in a transfer of

more than one-third of the voting rights or equity interests in the Company, unless following such transaction or series of transactions, the holders of the Company's securities prior to the first such transaction continue to hold at least two-thirds of the voting rights and equity interests in the surviving entity or acquirer of such assets and one-half or more of the Board of Directors of the Company remain the same; (v) consummation of a "Rule 13e-3 transaction" as defined in Rule 13e-3 under the Exchange Act with respect to the Company, or (vi) the execution by the Company or its controlling shareholders of an agreement providing for or reasonably likely to result in any of the foregoing events.

"Closing Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on an Eligible Market, the closing price per share of the Common Stock for such date (or the nearest preceding date) on the primary Eligible Market or exchange on which the Common Stock is then listed or quoted; (b) if prices for the Common Stock are then quoted on the OTC Bulletin Board, the closing price per share of the Common Stock for such date (or the nearest preceding date) so quoted; (c) if prices for the Common Stock are then reported in the "Pink Sheets" published by the OTC Markets Group (or a similar organization or agency succeeding to its functions of reporting prices), the most recent price per share of the Common Stock so reported ; or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent qualified appraiser selected in good faith and paid for by a majority in interest of the Investors.

"Common Stock" means the common stock of the Company, $0.0001 par value per share, and any securities into which such common stock may hereafter be reclassified.

"Conversion Date" means the date a Conversion Notice together with the Conversion Schedule is delivered to the Company in accordance with Section 5(a).

"Conversion Notice" means a written notice in the form attached hereto as Exhibit A.

"Conversion Price" means $0.035, subject to adjustment from time to time pursuant to Section 10.

"Default" means any event or condition which constitutes an Event of Default or that upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Eligible Market" means whichever of the New York Stock Exchange , the American Stock Exchange, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market or OTC Bulletin Board on which the Common Stock is listed or quoted for trading on the date in question.

"Event Equity Value" means the average of the Closing Prices for the five consecutive Trading Days immediately preceding either: (a) the date of an Event Notice or the date the Company becomes obligated to pay the Event Price under Section 7(a), whichever is higher, or
(b) the date on which the Event Price with respect thereto (together with any other payments, expenses and liquidated damages then due and payable under the Transaction Documents) is paid in full, whichever is greater.

"Event of Default" means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to anyjudgment , decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

(i) any failure to pay in the manner herein provided (free of any claim of subordination), when the same becomes due and payable (whether on the Maturity Date or by acceleration or prepayment or otherwise), (a) liquidated damages or other amounts (other than principal or interest) in respect of this Note which failure continues unremedied for three or more Trading Days after the date on which written notice of such default is first given to the Company by the Investor, or (b) principal under or interest in respect of this Note;

(ii) the Company or any Subsidiary (1) fails to pay when due or there is an acceleration of any monetary obligation (regardless of amount) under any currently existing or hereafter arising debenture (other than a Note) or any mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced, any Indebtedness or under any long term leasing or factoring arrangement, if the aggregate amount of the obligations and liabilities of the Company and the subsidiaries thereunder exceed $20,000 (each of the foregoing a **"Material Debt Agreement"),** or (2) fails to observe or perform any other obligation under any Material Debt Agreement , and such failure results in the obligations thereunder becoming or being declared due and payable prior to the date on which they would otherwise become due and payable ;

(iii) the occurrence or entering into by the Company or any subsidiary, or consummation of, any Change of Control ;

(iv) the Company shall fail to timely observe or perform any covenant, condition or agreement contained in any Transaction Document (other than those specified in clause (i) above and clause (xviii) below) , and such failure shall continue unremedied for a period of five Trading Days after the date on which written notice of such default is first given to the Company by the Investor (it being understood that no prior notice need be given in the case of a default that cannot reasonably be cured within five Trading Days or of which the Investor would not reasonably have had knowledge of such default by reference solely to filings made by the Company with the Commission in accordance with the Exchange Act and available on EDGAR);

(v) the Company creates or suffers to exist any Lien upon any of its properties, except in accordance with Section 5.4 of the Purchase Agreement;

(vi) the occurrence and continuance of an Event of Default under any other Indebtedness of the Company;

(vii) any prepayment by the Company of any other Indebtedness of the Company or any issuance of securities in exchange for any Indebtedness (other than Underlying Shares upon conversion of this Note in accordance with its terms);

(viii) any of the Company's representations and warranties set forth in any Transaction Document shall be incorrect as of the date made or as of the Original Issue Date;

(ix) the occurrence of a Bankruptcy Event;

(x) one or more judgments for the payment of money in an aggregate amount in excess of $20,000 shall be rendered against the Company or any subsidiary or any combination thereof (which shall not be fully covered by insurance without taking into account any applicable deductibles) and which shall remain undischarged or unbonded for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Company or any subsidiary to enforce any such judgment ;

(xi) any Transaction Document shall cease, for any reason , to be in full force and effect, or the Company shall so assert in writing or shall disavow any of its obligations thereunder ;

(xii) the Common Stock shall not be listed or quoted, or is suspended from trading, on an Eligible Market for a period of three Trading Days (which need not be consecutive Trading Days);

(xiii) the Company fails to deliver Underlying Shares in the manner required by Section 6(b) to the Investor within five Trading Days after a Conversion Date or in the case of exercises under the Warrant, within five Trading days after a Date of Exercise under, and as such term is defined in, such Warrant, or the conversion or exercise rights of the Investor pursuant to the terms hereof or the terms of the Warrant are otherwise suspended for any reason (other than as a result of the limitations set forth in Section 5(b));

(xiv) the Company fails to have available a sufficient number of authorized but unissued and otherwise unreserved shares of Common Stock available to issue Underlying Shares upon any conversion of Note or upon any exercise of the Warrant;

(xv) the Company effects or publicly announces its intention to effect any exchange, recapitalization or other transaction that effectively requires or rewards physical delivery of certificates evidencing the Common Stock, unless following such transaction , the holders of the Company's securities prior to the first such transaction continue to beneficially own at least two-thirds of the voting rights and equity interests in the surviving entity or acquirer of such assets;

(xvi) the Company fails to make any cash payment required under the Transaction Documents (other than as set forth in paragraph (i) above) and such failure is not cured within five Trading Days after notice of such default is first given to the Company by an Investor ; and

(xvii) the Company closes its stockholder books or records m any manner which prevents the timely exercise of the Warrant, pursuant to the terms thereof.

"Indebtedness" of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services (other than unsecured accounts payable incurred in the ordinary course of business and no more than ninety (90) days past the date of the invoice therefor), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (g) all obligations of such Person in respect of interest rate protection agreements, foreign currency exchange agreements or other interest or exchange rate hedging arrangements that exceed amounts necessary to hedge the Company's cross-currency exposure and (h) all obligations of such Person as an account party in respect of letters of credit and bankers' acceptances. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner.

"Original Issue Date" has the meaning set forth on the face of this Note.

"Proceeding" means a claim, suit, arbitration, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Trading Day" means (i) a day on which the Common Stock is traded on an Eligible Market, or (ii) if the Common Stock is not listed on an Eligible Market, a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board or the OTC Markets Group, or (iii) if the Common Stock is not quoted on the OTC Bulletin Board, a day on which the Common Stock is quoted in the over-the-counter market as reported by the OTC Markets Group (or any similar organization or agency succeeding to its functions of reporting prices); provided , that in the event that the Common Stock is not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

"Underlying Shares" means the shares of Common Stock issuable upon conversion of the Notes and payment of interest thereunder.

2. Interest.

(a) The Company shall pay interest to the Investor on the aggregate unconverted and then outstanding principal amount of this Note at the rate of 10% per annum, payable on the Maturity Date. Interest shall be calculated on the basis of a 360-day year for the actual number of days elapsed and shall accrue daily commencing on the Original Issue Date.

(b) Notwithstanding the foregoing requirement of cash interest payments, subject to the conditions and limitations set forth below, in lieu of paying interest in cash the Company may, at its option, pay accrued interest on this Note by delivering by the third Trading Day following the Maturity Date, a number of shares of Common Stock equal to the

quotient obtained by dividing the amount of such interest by 90% of the Closing Price of the Common Stock on the Trading Day immediately preceding (but not including) the Maturity Date.

3. Registration of Notes. The Company shall register this Note upon records maintained by the Company for that purpose (the **"Note Register")** in the name of the Holder thereof from time to time. The Company may deem and treat the registered holder of this Note as the absolute owner hereof for the purpose of any conversion hereof or any payment of interest hereon, and for all other purposes, absent actual notice to the contrary from such record Investor.

4. Registration of Transfers and Exchanges. The Company shall register the transfer of any portion of this Note in the Note Register upon surrender of this Note to the Company at its address for notice set forth herein. Upon any such registration or transfer, a new Note, in substantially the form of this Note (any such new debenture, a **"New Note"),** evidencing the portion of this Note so transferred shall be issued to the transferee and a New Note evidencing the remaining portion of this Note not so transferred , if any, shall be issued to the transferring Investor. The acceptance of the New Note by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations of a holder of a Note. The Company agrees that its prior consent is not required for the transfer of any portion of this Note ; provided , however , that the Company shall be entitled to reasonable assurance, including an opinion of counsel reasonably acceptable to the Company , that such transfer complies with applicable federal and state securities laws. This Note is exchangeable for an equal aggregate principal amount of Notes of different authorized denominations, as requested by the Investor surrendering the same. No service charge or other fee will be imposed in connection with any such registration of transfer or exchange.

5. Conversion.

(a) At the Option of the Investor. All or any portion of the principal amount of this Note then outstanding together with any accrued and unpaid interest hereunder shall be convertible into shares of Common Stock at the Conversion Price (subject to limitations set forth in Section 5(b)), at the option of the Investor, at any time and from time to time from and after the Original Issue Date. The Investor may effect conversions hereunder by delivering to the Company a Conversion Notice together with a schedule in the form of Schedule 1 attached hereto (the **"Conversion Schedule"). If** the Investor is converting less than all of the principal amount represented by this Note, or if a conversion hereunder is not permitted to be effected in full due to the application of Section 5(b), the Company shall honor such conversion to the extent permissible hereunder and consistent with Section 5(b) and shall promptly deliver to the Investor an executed Conversion Schedule indicating the principal amount which has not been converted.

(b) Certain Conversion Restrictions.

(i) Notwithstanding anything to the contrary contained herein, the number of shares of Common Stock that may be acquired by the Investor upon conversion of the Notes (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such conversion (or other issuance), the total number of shares of Common Stock then

beneficially owned by such Investor and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Investor's for purposes of Section 13(d) of the Exchange Act, does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such conversion). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which an Investor may receive or beneficially own in order to determine the amount of securities or other consideration that such Investor may receive in the event of a Fundamental Transaction involving the Company as contemplated in Section 11 of this Note. By written notice to the Company, an Investor may waive the provisions of this Section 5(b)(i) but any such waiver will not be effective until the 61st day after delivery thereof.

(ii) Notwithstanding anything to the contrary contained herein, the number of shares of Common Stock that may be acquired by an Investor upon each conversion of Notes (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such conversion (or other issuance), the total number of shares of Common Stock then beneficially owned by such Investor and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with such Investor's for purposes of Section 13(d) of the Exchange Act, does not exceed 9.99% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such conversion). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which an Investor may receive or beneficially own in order to determine the amount of securities or other consideration that such Investor may receive in the event of a Fundamental Transaction (defined below) involving the Company as contemplated herein . This restriction may not be waived , and notwithstanding anything to the contrary in any Transaction Document, may not be amended by agreement of the parties. Notwithstanding anything to the contrary contained in this Note or in any other Transaction Document , (a) no term of this Section may be waived by any party , nor amended such that the threshold percentage of ownership would be directly or indirectly increased , (b) no amendment or modification to any Transaction Document may be made such that it would have the effect of modifying or waiving any term of this Section in violation of this restriction , (c) this restriction runs with the Note and may not be modified or waived by any subsequent holder hereof and (d) any attempted waiver, modification or amendment of this Section will be void ab initio .

6. Mechanics of Conversion.

(a) The number of Underlying Shares issuable upon any conversion hereunder shall equal the outstanding principal amount of this Note to be converted , divided by the Conversion Price on the Conversion Date, plus (if indicated in the applicable Conversion Notice) the amount of any accrued but unpaid interest on this Note through the Conversion Date, divided by the Conversion Price on the Conversion Date.

(b) The Company shall, by the third Trading Day following each Conversion Date, issue or cause to be issued and cause to be delivered to or upon the written

order of the Investor and in such name or names as the Investor may designate a certificate for the Underlying Shares issuable upon such conversion, free of restrictive legends if at such time aRegistration Statement is then effective and available for use by the Investor. The Investor, or any Person so designated by the Investor to receive Underlying Shares, shall be deemed to havebecome holder of record of such Underlying Shares as of such Conversion Date. The Company shall use its best efforts to deliver Underlying Shares hereunder electronically (via a DWAC) through the Depository Trust Corporation or another established clearing corporation performing similar functions.

(c) The Investor shall not be required to deliver the original Note in order to effect a conversion hereunder. Execution and delivery of the Conversion Notice shallhave the same effect as cancellation of the Note and issuance of a New Note representing theremaining outstanding principal amount.

(d) The Company's obligations to issue and deliver Underlying Shares upon conversion of this Note in accordance with the terms hereof are absolute and unconditional , irrespective of any action or inaction by the Investor to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim , recoupment , limitation or termination , or any breach or alleged breach by the Investor or any other Person of any obligation to the Company or any violation or alleged violation of law by the Investor or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Investor in connection with the issuance of such Underlying Shares.

(e) If by the third Trading Day after a Conversion Date the Company fails to deliver to the Investor such Underlying Shares in such amounts and in the manner required pursuant to Section 5, then the Investor will have the right to rescind the Conversion Notice pertaining thereto by giving written notice to the Company prior to such Investor's receipt of such Underlying Shares.

(f) If by the third Trading Day after a Conversion Date the Company fails to deliver to the Investor the required number of Underlying Shares in the manner required pursuant to Section 5, and if after such third Trading Day and prior to the receipt of such Underlying Shares, the Investor purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Investor of the Underlying Shares which the Investor anticipated receiving upon such conversion (a **"Buy-In"),** then the Company shall: (1) pay in cash to the Investor (in addition to any other remedies available to or elected by the Investor) the amount by which (x) the Investor's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (A) the number of Underlying Shares that the Company was required to deliver to the Investor in connection with the exercise at issue by (B) the Closing Price at the time of the obligation giving rise to such purchase obligation and (2) at the option of the Investor, either void the conversion at issue and reinstate the principal amount of Notes (plus accrued interest therein) for which such conversion was not timely honored or deliver to the Investor the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. The Investor shall provide

the Company reasonably detailed evidence or written notice indicating the amounts payable to the Investor in respect of the Buy-In.

7. Events of Default.

(a) At any time or times following the occurrence and during the continuance of an Event of Default, the Investor may elect, by notice to the Company (an **"Event Notice"),** to require the Company to repay all or any portion of the outstanding principal amount of this Note, as indicated in such Event Notice (it being agreed that any Event Notice failing to specify a repayment amount shall be deemed a demand for repayment in full on account of the entire principal amount of all Notes to which such Event Notice applies), for a payment amount in Dollars in cash equal to the greater of: (A) 102% of such outstanding principal amount (except that in the case of an Event Notice citing an Event of Default under clause (iii) of the definition of "Event of Default", in which case such amount shall equal the amount necessary to provide a total return to the Investor of 10% per annum on the Note), plus all accrued but unpaid interest thereon and any unpaid liquidated damages and other amounts then owing to the Investor under the Transaction Documents , through the date of payment in full of such repayment amount, or (B) the Event Equity Value of the Underlying Shares that would be issuable upon conversion of such principal amount and payment in Common Stock of all such accrued but unpaid interest thereon (without regard to any condition precedent or conversion limitation contained herein), plus an amount payable in cash of any liquidated damages and other amounts payable pursuant to the Transaction Documents. The aggregate amount payable pursuant to the preceding sentence is referred to as the **"Event Price."** The Company shall pay the aggregate Event Price to the Investor (free of any claim of subordination) no later than the third Trading Day following the date of delivery of the Event Notice, and upon receipt thereof the Investor shall deliver the original Note so repurchased to the Company.

(b) Upon the occurrence of any Bankruptcy Event with respect to the Company, all outstanding principal and accrued but unpaid interest on this Note and any unpaid liquidated damages and other amounts then owing under the Transaction Documents shall immediately become due and payable in full in Dollars in cash (free of any claim of subordination), without the requirement of delivery of any Event Notice or any other action by the Investor, and the Company shall immediately be obligated to repurchase this Note held by such Investor at the Event Price pursuant to the preceding paragraph as if the Investor had delivered an Event Notice immediately prior to the occurrence of such Bankruptcy Event.

(c) In connection with any Event of Default, the Investor need not provide and the Company hereby waives any presentment, demand, protest or other notice of any kind (other than the Event Notice if required hereunder) , and the Investor may immediately enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Any such declaration (including any Event Notice) may be rescinded and annulled by the Investor (at its sole discretion) at any time notwithstanding anything to the contrary which may have been contained in such declaration prior to payment hereunder. Any such rescission, annulment, or waiver will not impair the Investor's right to subsequently declare a new declaration or Event Notice subsequent to a rescission, annulment, or waiver. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereto.

8. Ranking. This Note ranks senior to all other Indebtedness of the Company. The Company will not, directly or indirectly, enter into, create, incur, assume or suffer to exist any Indebtedness or Liens of any kind, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom, that is senior or pari passu in any respect to the Company's obligations under the Notes.

9. Reservation of Underlying Shares. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Underlying Shares as required hereunder, 150% of the number of Underlying Shares which are then issuable and deliverable upon the conversion of (and otherwise in respect of) this entire Note (taking into account the adjustments of Section 10), free from preemptive rights or any other contingent purchase rights of persons other than the Investor. The Company covenants that all Underlying Shares so issuable and deliverable shall, upon issuance in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and nonassessable.

10. Certain Adjustments. The Conversion Price is subject to adjustment from time to time as set forth in this Section 10.

(a) Stock Dividends and Splits. If the Company, at any time while this Note is outstanding: (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) Pro Rata Distributions. If the Company, at any time while this Note is outstanding, distributes to all holders of Common Stock (i) evidences of its indebtedness,
(ii) any security (other than a distribution of Common Stock covered by the preceding paragraph), (iii) rights or warrants to subscribe for or purchase any security, or (iv) any other asset (in each case, **"Distributed Property"),** then, at the request of the Investor delivered before the 90th day after the record date fixed for determination of shareholders entitled to receive such distribution, the Company will deliver to the Investor, within five Trading Days after such request (or, if later, on the effective date of such distribution), the Distributed Property that the Investor would have been entitled to receive in respect of the Underlying Shares for which this Note could have been converted immediately prior to such record date. If such Distributed Property is not delivered to the Investor pursuant to the preceding sentence, then upon any conversion of this Note that occurs after such record date, the Investor shall be entitled to receive, in addition to the Underlying Shares otherwise issuable upon such conversion, the Distributed Property that the Investor would have been entitled to receive in respect of such

number of Underlying Shares had the Investor been the record holder of such Underlying Shares immediately prior to such record date. Notwithstanding the foregoing, this Section l O(b) shall not apply to any distribution of rights or securities in respect of adoption by the Company of a shareholder rights plan, which events shall be covered by Section 10(a).

(c) Fundamental Transactions. If, at any time while this Note is outstanding, (i) the Company effects any merger or consolidation of the Company with or into another Person, (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions , (iii) any tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock tender or exchange their shares for other securities, cash or property , or (iv) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of shares of Common Stock covered by Section 1O(a) above) (in any such case, a **"Fundamental Transaction") ,** then the Investor shall have the right to: (x) declare an Event of Default pursuant to clause (iii) thereunder, or (y) upon any subsequent conversion of this Note, receive, for each Underlying Share that would have been issuable upon such conversion absent such Fundamental Transaction , the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction , the holder of one share of Common Stock (the **"Alternate Consideration")** or (z) require the surviving entity to issue to the Investor an instrument identical to this Note (with an appropriate adjustment to the conversion price) such that the Investor may receive shares of the surviving company 's common stock. For purposes of any such conversion, the Company shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Investor shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Company or surviving entity in such Fundamental Transaction (or, if different, the ultimate parent of such successor or entity or the entity issuing the Alternate Consideration) shall issue to the Investor a new debenture consistent with the foregoing provisions and evidencing the Investor's right to convert such debenture into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this paragraph (c) and insuring that this Note (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction .

(d) Subsequent Equity Sales.

(i) If the Company or any subsidiary thereof, as applicable, at any time while this Note is outstanding, shall issue or enter into any agreement or understanding to issue shares of Common Stock or Common Stock Equivalents entitling any Person to acquire shares of Common Stock, at a price per share less than the Conversion Price (if the holder of the Common Stock or Common Stock Equivalent so issued shall at any time, whether by operation of purchase price adjustments , reset provisions , floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights issued in connection with such issuance, be entitled to

receive shares of Common Stock at a price less than the Conversion Price, such issuance shall be deemed to have occurred for less than the Conversion Price), then, the Conversion Price shall automatically be reduced to mirror such lower price. Such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued. The Company shall notify the Investor in writing, no later than the Trading Day following the issuance of any Common Stock or Common Stock Equivalent subject to this section, indicating therein the applicable issuance price, or of applicable reset price, exchange price, conversion price and other pricing terms, but failure to provide such notice will not delay or affect the reduction of the Conversion Price. If, while this Note is outstanding, the Company enters into any understanding or agreement to issue or sell securities, or otherwise engages in discussions with any Person in connection with a potential issuance or sale of securities that would trigger an adjustment to the Conversion Price, then notwithstanding the fact that such actual issuance of Common Stock or Common Stock Equivalents occurs after the term of the Note, such issuance will be treated as if it had occurred prior to the expiration of the Note term.

(ii) For purposes of this subsection IO(d), the following subsections (d)(ii)(l) to (d)(ii)(6) shall also be applicable:

(1) Issuance of Rights or Options. In case at any time the Company shall in any manner grant (directly and not by assumption in a merger or otherwise) any warrants or other rights to subscribe for or to purchase , or any options for the purchase of, Common Stock or any stock or security convertible into or exchangeable for Common Stock (such warrants, rights or options being called **"Options"** and such convertible or exchangeable stock or securities being called **"Convertible Securities")** whether or not such Options or the right to convert or exchange any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon the exercise of such Options or upon the conversion or exchange of such Convertible Securities (determined by dividing (i) the sum (which sum shall constitute the applicable consideration) of (x) the total amount, if any, received or receivable by the Company as consideration for the granting of such Options, plus (y) the aggregate amount of additional consideration payable to the Company upon the exercise of all such Options, plus (z), in the case of such Options which relate to Convertible Securities, the aggregate amount of additional consideration, if any, payable upon the issue or sale of such Convertible Securities and upon the conversion or exchange thereof, by (ii) the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Options) shall be less than the Conversion Price in effect immediately prior to the time of the granting of such Options, then the total number of shares of Common Stock issuable upon the exercise of such Options or upon conversion or exchange of the total amount of such Convertible Securities issuable upon the exercise of such Options shall be deemed to have been issued for such price per share as of the date of granting of such Options or the issuance of such Convertible Securities and thereafter shall be deemed to be outstanding for purposes of adjusting the Conversion Price. Except as otherwise provided in subsection 1O(d)(ii)(3), no adjustment of the Conversion Price shall be made upon the actual issue of such Common Stock or of such Convertible Securities upon exercise of such Options or upon the actual issue of such Common Stock upon conversion or exchange of such Convertible Securities.

(2) Issuance of Convertible Securities. In case the Company shall in any manner issue (directly and not by assumption in a merger or otherwise) or sell any Convertible Securities, whether or not the rights to exchange or convert any such Convertible Securities are immediately exercisable, and the price per share

for which Common Stock is issuable upon such conversion or exchange (determined by dividing (i) the sum (which sum shall constitute the applicable consideration) of (x) the total amount received or receivable by the Company as consideration for the issue or sale of such Convertible Securities, plus (y) the aggregate amount of additional consideration , if any, payable to the Company upon the conversion or exchange thereof, by (ii) the total number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities) shall be less than the Conversion Price in effect immediately prior to the time of such issue or sale, then the total maximum number of shares of Common Stock issuable upon conversion or exchange of all such Convertible Securities shall be deemed to have been issued for such price per share as of the date of the issue or sale of such Convertible Securities and thereafter shall be deemed to be outstanding for purposes of adjusting the Conversion Price, provided that (a) except as otherwise provided in subsection 10(d)(ii)(3), no adjustment of the Conversion Price shall be made upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities and (b) no further adjustment of the Conversion Price shall be made by reason of the issue or sale of Convertible Securities upon exercise of any Options to purchase any such Convertible Securities for which adjustments of the Conversion Price have been made pursuant to the other provisions of subsection 11(d).

(3) Change in Option Price or Conversion Rate. Upon the happening of any of the following events, namely , if the purchase price provided for in any Option referred to in subsection lO(d)(ii)(l) hereof, the additional consideration , if any, payable upon the conversion or exchange of any Convertible Securities referred to in subsections 10(d)(ii)(l) or 10(d)(ii)(2), or the rate at which Convertible Securities referred to in subsections 10(d)(ii)(l) or 10(d)(ii)(2) are convertible into or exchangeable for Common Stock shall change at any time (including, but not limited to, changes under or by reason of provisions designed to protect against dilution), the Conversion Price in effect at the time of such event shall forthwith be readjusted to the Conversion Price which would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold. On the termination of any Option for which any adjustment was made pursuant to this subsection 10(d) or any right to convert or exchange Convertible Securities for which any adjustment was made pursuant to this subsection 10(d) (including without limitation upon the redemption or purchase for consideration of such Convertible Securities by the Company), the Conversion Price then in effect hereunder shall forthwith be changed to the Conversion Price which would have been in effect at the time of such termination had such Option or Convertible Securities, to the extent outstanding immediately prior to such termination , never been issued.

(4) Stock Dividends. Subject to the provisions of this Section l O(d), in case the Company shall declare a dividend or make any other distribution upon any stock of the Company (other than the Common Stock) payable in Common Stock, Options or Convertible Securities, then any Common Stock, Options or Convertible Securities, as the case may be, issuable in payment of such dividend or distribution shall be deemed to have been issued or sold without consideration.

(5) Consideration for Stock. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for cash, the consideration received therefor shall be deemed to be the net amount received by the Company therefor , after deduction therefrom of any expenses incurred or any underwriting

commissions or concessions paid or allowed by the Company in connection therewith. Incase any shares of Common Stock, Options or Convertible Securities shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be deemed to be the fair value of such consideration as determined in good faith by the Board of Directors of the Company, after deduction of any expenses incurred or any underwriting commissions or concessions paid or allowed by the Company in connection therewith. In case any Options shall be issued in connection with the issue and sale of other securities of the Company, together comprising one integral transaction in which no specific consideration is allocated to such Options by the parties thereto , such Options shall be deemed to have been issued for such consideration as determined in good faith by the Board of Directors of the Company. If Common Stock, Options or Convertible Securities shall be issued or sold by the Company and, in connection therewith, other Options or Convertible Securities (the **"Additional Rights")** are issued, then the consideration received or deemed to be received by the Company shall be reduced by the fair market value of the Additional Rights (as determined using the Black-Scholes option pricing model or another method mutually agreed to by the Company and the Investor). The Board of Directors of the Company shall respond promptly, in writing, to an inquiry by the Investors as to the fair market value of the Additional Rights. In the event that the Board of Directors of the Company and the Investors are unable to agree upon the fair market value of the Additional Rights, the Company and the Investors shall jointly select an appraiser, who is experienced in such matters. The decision of such appraiser shall be final and conclusive, and the cost of such appraiser shall be borne evenly by the Company and the Investor.

(6) Record Date. In case the Company shall take a record of the holders of its Common Stock for the purpose of entitling them (i) to receive a dividend or other distribution payable in Common Stock, Options or Convertible Securities or

(ii) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(iii) Notwithstanding the foregoing, no adjustment will be made under this paragraph (d) in respect of: (1) the issuance of securities upon the exercise or conversion of any Common Stock Equivalents issued by the Company prior to the Original Issue Date of this Note (but will apply to any amendments, modifications , and reissuances thereof and as a result of any changes, resets or adjustments to a conversion or exchange price thereunder whether or not as a result of any amendment, modification or reissuance), or (2) the grant of options or warrants, or the issuance of additional securities, under any duly authorized Company stock option, stock incentive plan, restricted stock plan or stock purchase plan in existence on the Closing Date.

(e) Reclassifications; Share Exchanges. In case of any reclassification of the Common Stock, or any compulsory share exchange pursuant to which the Common Stock is converted into other securities, cash or property (other than compulsory share exchanges

which constitute Change of Control transactions) , the Investors of the Notes then outstanding shall have the right thereafter to convert such shares only into the shares of stock and other securities, cash and property receivable upon or deemed to be held by holders of Common Stock following such reclassification or share exchange, and the Investors shall be entitled upon such event to receive such amount of securities, cash or property as a holder of the number of shares of Common Stock of the Company into which such shares of Notes could have been converted immediately prior to such reclassification or share exchange would have been entitled . This provision shall similarly apply to successive reclassifications or share exchanges.

(f) Calculations. All calculations under this Section 10 shall be made to the nearest cent or the nearest 1/1OOth of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock.

(g) Notice of Adjustments. Upon the occurrence of each adjustment pursuant to this Section 10, the Company at its expense will promptly compute such adjustment in accordance with the terms hereof and prepare a certificate describing in reasonable detail such adjustment and the transactions giving rise thereto , including all facts upon which such adjustment is based . Upon written request, the Company will promptly deliver a copy of each such certificate to the Investor.

(h) Notice of Corporate Events. If the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Common Stock, including without limitation any granting of rights or warrants to subscribe for or purchase any capital stock of the Company or any subsidiary, (ii) authorizes and publicly approves, or enters into any agreement contemplating or solicits shareholder approval for any Fundamental Transaction or (iii) publicly authorizes the voluntary dissolution, liquidation or winding up of the affairs of the Company, then the Company shall deliver to the Investor a notice describing the material terms and conditions of such transaction , at least 20 calendar days prior to the applicable record or effective date on which a Person would need to hold Common Stock in order to participate in or vote with respect to such transaction , and the Company will take all steps reasonably necessary in order to insure that the Investor is given the practical opportunity to convert this Note prior to such time so as to participate in or vote with respect to such transaction ; provided , however , that the failure to deliver such notice or any defect therein shall not affect the validity of the corporate action required to be described in such notice.

11. Fractional Shares. The Company shall not be required to issue or cause to be issued fractional Underlying Shares on conversion of this Note. If any fraction of an Underlying Share would, except for the provisions of this Section, be issuable upon conversion of this Note or payment of interest hereon, the number of Underlying Shares to be issued will be rounded up to the nearest whole share.

12. Notices. Any and all notices or other communications or deliveries hereunder (including without limitation any Conversion Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission , if such notice or communication is delivered via facsimile at the facsimile number specified in this Section prior

to 5:30 p.m. (New York City time) on a Trading Day, (ii) the next Trading Day after the date of transmission , if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the Trading Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be: (i) if to the Company , to 6650 Via Austi Parkway , Suite 140, Las Vegas, Nevada 89119, facsimile: [ ], Attention: President, (ii) if to the Investor, to the address or facsimile number appearing on the Company's shareholder records or such other address or facsimile number as the Investor may provide to the Company in accordance with this Section.

13. Miscellaneous.

(a) This Note shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Subject to Section 14(a), above, nothing in this Note shall be construed to give to any person or corporation other than the Company and the Investor any legal or equitable right, remedy or cause under this Note. This Note shall inure to the sole and exclusive benefit of the Company and the Investor.

(c) All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all Proceedings shall be commenced exclusively in the state and federal courts sitting in the City of New York, Borough of Manhattan (the "New York Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for any Proceeding, and hereby irrevocably waives, and agrees not to assert in any Proceeding , any claim that it is not personally subject to the jurisdiction of any New York Court or that a New York Court is an inconvenient forum for such Proceeding. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal Proceeding. The prevailing party in a Proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Proceeding.

(d) The headings herein are for convenience only, do not constitute a part of this Note and shall not be deemed to limit or affect any of the provisions hereof.

(e) In case any one or more of the provisions of this Note shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Note shall not in any way be affected or impaired thereby and the parties

will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Note.

(f) No provision of this Note may be waived or amended except (i) in accordance with the requirements set forth in the Purchase Agreement, and (ii) in a written instrument signed, in the case of an amendment, by the Company and the Investor or, in the case of a waiver, by the party against whom enforcement of any such waiver is sought. No waiver of any default with respect to any provision, condition or requirement of this Note shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

(g) To the extent it may lawfully do so, the Company hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in connection with any claim, action or Proceeding that may be brought by any Investor in order to enforce any right or remedy under the Note. Notwithstanding any provision to the contrary contained in Note, it is expressly agreed and provided that the total liability of the Company under this Note for payments in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the **"Maximum Rate"),** and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums in the nature of interest that the Company may be obligated to pay under this Note exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by law and applicable to this Note is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate of interest applicable to the Note from the effective date forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to the Investor with respect to indebtedness evidenced by this Note, such excess shall be applied by such Investor to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at such Investor's election.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed by a duly authorized officer as of the date first above indicated.

LAS VEGAS RAILWAY EXPRESS, INC.

By: /s/ Michael Barron

Name: Michael Barron

Title: CEO

EXHIBIT A CONVERSION

NOTICE

(To be executed by the Registered Investor in order to convert Notes)

The undersigned hereby elects to convert the principal amount of Note indicated below, into shares of Common Stock of LAS VEGAS RAILWAY EXPRESS, INC., as of the date written below. If shares are to be issued in the name of a Person other than undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the Investor for any conversion, except for such transfer taxes, if any. All terms used in this notice shall have the meanings set forth in the Note.

Conversion calculations:

Date to Effect Conversion

_____

Principal amount of Note owned prior to conversion Principal

_____

amount of Note to be Converted

_____

Principal amount of Note remaining after Conversion

_____

DTC Account

_____

Number of shares of Common Stock to be Issued Applicable

_____

Conversion Price

_____

Name of Investor

By: _____

Name:
Title:

By the delivery of this Conversion Notice the Investor represents and warrants to the Company that its ownership of the Common Stock does not exceed the restrictions set forth in Section 5(b) of the Note.

Schedule 1

LAS VEGAS RAILWAY EXPRESS, INC.

10% Senior Secured Convertible Promissory Notes due June 30, 2014

CONVERSION SCHEDULE

This Conversion Schedule reflects conversions made under the above referenced Notes.

Dated:

Date of Conversion	Amount of Conversion	Aggregate Principal Amount Remaining Subsequent to Conversion	Applicable Conversion Price

Exhibit 10.19

NEITHER THESE SECURITIES NOR THE SECURITIES ISSUABLE UPON CONVERSION OF THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY , MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THESE SECURITIESAND THE SECURITIES ISSUABLE UPON CONVERSION OF THESE SECURITIES MAY BE PLEDGED IN A MANNER CONSISTENT WITH THE SECURITIES ACT IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT SECURED BY SUCH SECURITIES.

$2,000,000.00
Original Issue Date: April 11, 2014

LAS VEGAS RAILWAY EXPRESS, INC.

10% SENIOR SECURED CONVERTIBLE PROMISSORY NOTE
DUE NOVEMBER 30, 2014

FOR VALUE RECEIVED , LAS VEGAS RAILWAY EXPRESS, I C., a Delaware corporation (the **"Company")** promises to pay to the order of Cowen Overseas Investment LP or its registered assigns (the **"Investor"),** the principal sum of Two Million Dollars ($2,000,000.00), on November 30, 2014 or such earlier date as this Note is required to be repaid as provided hereunder (the **"Maturity Date"),** and to pay interest to the Investor on the principal amount of this Note outstanding from time to time in accordance with the provisions hereof. All of the obligations of the Company under this Note are secured pursuant to the terms of that certain Security Agreement , dated as of November 22, 2013, between the Company and the Investor (as amended from time to time, including, without limitation , as a result of that certain First Amendment to Security Agreement and Partial Release of Collateral dated as of even date herewith , the **"Security Agreement").** This Note is subject to the following additional prov1s10ns:

1. Definitions. In addition to the tem1s defined elsewhere in this Note: (a) capitalized terms that are used but not otherwise defined herein have the meanings given to such terms in the Note Exchange Agreement, dated as of April 11,2014, between the Company and

the Investor (the **"Exchange Agreement"),** and (b) the following terms have the meanings indicated below in this Section 1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 144.

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. 101 et seq.), as amended from time to time (including any successor statute) and all rules and regulations promulgated thereunder.

"Bankruptcy Event" means any of the following events: (a) the Company or any Subsidiary commences a case or other proceeding under any bankruptcy , reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction relating to the Company or any Subsidiary thereof ; (b) there is commenced against the Company or any Subsidiary any such case or proceeding that is not dismissed within 60 days after commencement; (c) the Company or any subsidiary is adjudicated by a court of competent jurisdiction insolvent or bankrupt or any order of relief or other order approving any such case or proceeding is entered; (d) the Company or any Subsidiary suffers any appointment of any custodian or the like for it or any substantial part of its property that is not discharged or stayed within 60 days; (e) under applicable law the Company or any Subsidiary makes a general assignment for the benefit of creditors; (f) the Company or any Subsidiary fails to pay, or states that it is unable to pay or is unable to pay, its debts generally as they become due; (g) the Company or any Subsidiary calls a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or (h) the Company or any Subsidiary, by any act or failure to act, expressly indicates its consent to, approval of or acquiescence in any of the foregoing or takes any corporate or other action for the purpose of effecting any of the foregoing.

"Bankruptcy Law" means the Bankruptcy Code of the United States and all other liquidation , conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium , rearrangement , receivership , insolvency, fraudulent conveyance or transfer, reorganization , or similar state or Federal debtor relief laws, statutes, rules, regulations , orders, or ordinances of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Business Day" means any day except Saturday, Sunday and any day that is a federal legal holiday or a day on which banking institutions in the State of New York or State of California are authorized or required by law or other governmental action to close.

"Change of Control" means the occurrence of any of the following in one or a series of related transactions: (i) an acquisition after the date hereof by an individual or legal entity or "group" (as described in Rule 13d-5(b)(l) under the Exchange Act) of more than one-third of the voting rights or equity interests in the Company; (ii) a replacement of more than one-half of the members of the Company's board of directors in a twelve month period that is not approved (as evidenced by such directors' votes at one or more meetings of the board of directors convened for such purpose) by those individuals who are members of the board of directors on the date

which commences such twelve month period (or other directors previously approved by such individuals) ; (iii) a Fundamental Transaction (as defined in Section l O(c)), a merger or consolidation of the Company or any Subsidiary or a sale or distribution of more than one-half of the assets of the Company in one or a series of related transactions, unless following such transaction or series of transactions, the holders of the Company's securities prior to the first such transaction continue to hold at least two-thirds of the voting rights and equity interests in the surviving entity or acquirer of such assets; (iv) a recapitalization , reorganization or other transaction involving the Company or any Subsidiary that constitutes or results in a transfer of more than one-third of the voting rights or equity interests in the Company, unless following such transaction or series of transactions , the holders of the Company's securities prior to the firstsuch transaction continue to hold at least two-thirds of the voting rights and equity interests in the surviving entity or acquirer of such assets and one-half or more of the Board of Directors of the Company remain the same; (v) consummation of a "Rule 13e-3 transaction " as defined in Rule 13e-3 under the Exchange Act with respect to the Company, or (vi) the execution by the Company or its controlling shareholders of an agreement providing for or reasonably likely to result in any of the foregoing events.

"Closing Price" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on an Eligible Market, the closing price per share of the Common Stock for such date (or the nearest preceding date) on the primary Eligible Market or exchange on which the Common Stock is then listed or quoted; (b) if prices for the Common Stock are then quoted on the OTC Bulletin Board , the closing price per share of the Common Stock for such date (or the nearest preceding date) so quoted ; (c) if pricesfor the Common Stock are then reported in the "Pink Sheets" published by the OTC Markets Group (or a similar organization or agency succeeding to its functions of reporting prices) , the most recent price per share of the Common Stock so reported; or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent qualified appraiser selected in good faith and paid for by a majority in interest of the Investors.

"Commission" means the U.S. Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, $0.0001 par value per share, and any securities into which such common stock may hereafter be reclassified.

"Common Stock Equivalents" means any securities of the Company or any Subsidiary which entitle the holder thereof to acquire Common Stock at any time, including without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive,Common Stock or other securities that entitle the holder to receive, directly or indirectly, Common Stock.

"Conversion Date" means the date a Conversion Notice together with the Conversion Schedule is delivered to the Company in accordance with Section 5(a).

"Conversion Notice" means a written notice in the form attached hereto as Exhibit A.

"Conversion Price" means $0.45, subject to adjustment from time to time pursuant to

Section 10.

"Default" means any event or condition which constitutes an Event of Default or that upon notice, lapse of time or both would, unless cured or waived, become an Event ofDefault.

"Eligible Market" means whichever of the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQCapital Market or OTC Bulletin Board on which the Common Stock is listed or quoted for trading on the date in question.

"Event Equity Value" means the average of the Closing Prices for the five consecutive Trading Days immediately preceding either: (a) the date of an Event Notice or the date the Company becomes obligated to pay the Event Price under Section 7(a), whichever is higher, or
(b) the date on which the Event Price with respect thereto (together with any other payments, expenses and liquidated damages then due and payable under the Transaction Documents) is paid in full, whichever is greater.

"Event of Default" means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment , decree or order of any court, or any order, rule or regulation of any administrative or governmental body) :

(i) any failure to pay in the manner herein provided (free of any claim of subordination), when the same becomes due and payable (whether on the Maturity Date or by acceleration or prepayment or otherwise), (a) liquidated damages or other amounts (other than principal or interest) in respect of this Note which failure continues unremedied for three or more Trading Days after the date on which written notice of such default is first given to the Company by the Investor, or (b) principal under or interest in respect of this Note;

(ii) the Company or any Subsidiary (1) fails to pay when due or there is an acceleration of any monetary obligation (regardless of amount) under any currently existing or hereafter arising debenture (other than a Note) or any mortgage, cred it agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced , any Indebtedness or under any long term leasing or factoring arrangement , if the aggregate amount of the obligations and liabilities of the Company and the subsidiaries thereunder exceed $20,000 (each of the foregoing a **"Material Debt Agreement"),** or (2) fails to observe or perform any other obligation under any Material Debt Agreement, and such failure results in the obligations thereunder becoming or being declared due and payable prior to the date on which they would otherwise become due and payable ;

(iii) the occurrence or entering into by the Company or any subsidiary, or consummation of, any Change of Control ;

(iv) the Company shall fail to timely observe or perform any covenant, condition or agreement contained in any Transaction Document (other than those specified in clause (i) above and clause (xviii) below), and such failure shall continue unremedied for a period of five Trading Days after the date on which written notice of such default is first given to

the Company by the Investor (it being understood that no prior notice need be given in the case of a default that cannot reasonably be cured within five Trading Days or of which the Investor would not reasonably have had knowledge of such default by reference solely to filings made by the Company with the Commission in accordance with the Exchange Act and available on EDGAR);

(v) the Company creates or suffers to exist any Lien upon any of its properties, except (a) Liens in existence on the date of the Purchase Agreement and disclosed on Schedule 3.1 (o) attached thereto, (b) tax, mechanics', materialmen's, warehousemen's, laborer's and landlord and other similar Liens relating to amounts that are not yet due and payable, or that are being contested in good faith by appropriate proceedings, for which adequate reserves have been established, (c) Liens incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance or similar legislation and (d) Liens to secure Permitted Indebtedness (as such term is defined in the Purchase Agreement);

(vi) the occurrence and continuance of an Event of Default under any other Indebtedness of the Company;

(vii) any prepayment by the Company of any other Indebtedness of the Company or any issuance of securities in exchange for any Indebtedness (other than Underlying Shares upon conversion of this Note in accordance with its terms);

(viii) any of the Company's representations and warranties set forth in any Transaction Document shall be incorrect as of the date made or as of the Original Issue Date;

(ix) the occurrence of a Bankruptcy Event;

(x) one or more judgments for the payment of money in an aggregate amount in excess of $20,000 shall be rendered against the Company or any subsidiary or any combination thereof (which shall not be fully covered by insurance without taking into account any applicable deductibles) and which shall remain undischarged or unbonded for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Company or any subsidiary to enforce any such judgment;

(xi) any Transaction Document shall cease, for any reason, to be in full force and effect, or the Company shall so assert in writing or shall disavow any of its obligations thereunder;

(xii) the Common Stock shall not be listed or quoted, or is suspended from trading, on an Eligible Market for a period of three Trading Days (which need not be consecutive Trading Days);

(xiii) the Company fails to deliver Underlying Shares in the manner required by Section 6(b) to the Investor within five Trading Days after a Conversion Date or in the case of exercises under the Warrant, within five Trading days after a Date of Exercise under, and as such tenn is defined in, such Warrant (or, in each case, payment with respect thereto in

the event that a sufficient number of authorized and unreserved Underlying Shares are not then available), or the conversion or exercise rights of the Investor pursuant to the terms hereof or the terms of the Warrant are otherwise suspended for any reason (other than as a result of the limitations set forth in Section 5(b));

(xiv) [Intentionally deleted];

(xv) the Company effects or publicly announces its intention to effect any exchange, recapitalization or other transaction that effectively requires or rewards physical delivery of certificates evidencing the Common Stock, unless following such transaction , the holders of the Company's securities prior to the first such transaction continue to beneficially own at least two-thirds of the voting rights and equity interests in the surviving entity or acquirer of such assets;

(xvi) the Company fails to make any cash payment required under the Transaction Documents (other than as set forth in paragraph (i) above) and such failure is not cured within five Trading Days after notice of such default is first given to the Company by an Investor ; and

(xvii) the Company closes its stockholder books or records m any manner which prevents the timely exercise of the Warrant , pursuant to the terms thereof.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Indebtedness" of any Person shall mean, without duplication , (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds , debentures, notes or similar instruments , (c) all obligations of such Person upon which interest charges are customarily paid , (d) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services (other than unsecured accounts payable incurred in the ordinary course of business and no more than ninety (90) days past the date of the invoice therefor), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (g) all obligations of such Person in respect of interest rate protection agreements, foreign currency exchange agreements or other interest or exchange rate hedging arrangements that exceed amounts necessary to hedge the Company's cross-currency exposure and (h) all obligations of such Person as an account party in respect of letters of credit and bankers' acceptances. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner.

"Lien" means any lien, charge, encumbrance, security interest, right of first refusal or other restrictions of any kind.

"Original Issue Date" has the meaning set forth on the face of this Note.

"Person" means an individual or corporation, partnership, trust, incorporated or

unincorporated association , joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Proceeding" means a claim, suit, arbitration, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Purchase Agreement" means that certain Purchase Agreement dated as of November 22, 2013 between the Company and the Investor.

"Securities Act" means the Securities Act of 1933, as amended.

"Subsidiary" means each of the subsidiaries of the Company included in the reports, forms and other information required to be filed by the Company with the Commission under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) of the Exchange Act, during the twelve months preceding the Original Issue Date.

"Trading Day" means (i) a day on which the Common Stock is traded on an Eligible Market, or (ii) if the Common Stock is not listed on an Eligible Market , a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board or the OTC Markets Group, or (iii) if the Common Stock is not quoted on the OTC Bulletin Board , a day on which the Common Stock is quoted in the over-the-counter market as reported by the OTC Markets Group (or any similar organization or agency succeeding to its functions of reporting prices); provided , that in the event that the Common Stock is not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

"Underlying Shares" means the shares of Common Stock issuable upon conversion of the Notes and payment of interest thereunder.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on an Eligible Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Eligible Market on which the Common Stock is then listed or quoted for trading as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time); (b) if the OTC Bulletin Board is not an Eligible Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) as reported by the OTC Bulletin Board or the OTC Markets Group; (c) if the Common Stock is not then listed or quoted for trading on the OTC Bulletin Board and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets, Inc. (or a similar organizationor agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported ; or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Investor and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Warrant" means that certain Common Stock purchase warrant issued to the Investor pursuant to the Purchase Agreement.

2. Interest.

(a) The Company shall pay interest to the Investor on the aggregate unconverted and then outstanding principal amount of this Note at the rate of 10% per annum, payable on the Maturity Date. Interest shall be calculated on the basis of a 360-day year for the actual number of days elapsed and shall accrue daily commencing on the Original Issue Date.

(b) Notwithstanding the foregoing requirement of cash interest

payments , subject to the conditions and limitations set forth below , in lieu of paying interest in cash the Company may, at its option, pay accrued interest on this Note by delivering by the third Trading Day following the Maturity Date, a number of shares of Common Stock equal to the quotient obtained by dividing the amount of such interest by 90% of the Closing Price of the Common Stock on the Trading Day immediately preceding (but not including) the Maturity Date.

3. Registration of Notes. The Company shall register this Note upon records maintained by the Company for that purpose (the **"Note Register")** in the name of the Holder thereof from time to time. The Company may deem and treat the registered holder of this Note as the absolute owner hereof for the purpose of any conversion hereof or any payment of interest hereon, and for all other purposes, absent actual notice to the contrary from such record Investor.

4. Registration of Transfers and Exchanges. The Company shall register the transfer of any portion of this Note in the Note Register upon surrender of this Note to the Company at its address for notice set forth herein . Upon any such registration or transfer, a new Note, in substantially the form of this Note (any such new debenture, a **"New Note"),** evidencing the portion of this Note so transferred shall be issued to the transferee and a New Note evidencing the remaining portion of this Note not so transferred , if any, shall be issued to the transferring Investor. The acceptance of the New Note by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations of a holder of a Note. The Company agrees that its prior consent is not required for the transfer of any portion of this Note; provided , however , that the Company shall be entitled to reasonable assurance, including an opinion of counsel reasonably acceptable to the Company, that such transfer complies with applicable federal and state securities laws. This Note is exchangeable for an equal aggregate principal amount of Notes of different authorized denominations, as requested by the Investor surrendering the same. No service charge or other fee will be imposed in connection with any such registration of transfer or exchange.

5. Conversion.

(a) At the Option of the Investor. All or any portion of the principal amount of this Note then outstanding together with any accrued and unpaid interest hereunder shall be convertible into shares of Common Stock at the Conversion Price (subject to limitations set forth in Section 5(b)), at the option of the Investor, at any time and from time to time from and after the Original Issue Date. The Investor may effect conversions hereunder by delivering to the Company a Conversion Notice together with a schedule in the form of Schedule 1 attached hereto (the **"Conversion Schedule").** If the Investor is converting less than all of the principal amount represented by this Note, or if a conversion hereunder is not permitted to be effected in full due to the application of Section 5(b), the Company shall honor such conversion to the extent permissible hereunder and consistent with Section 5(b) and shall promptly deliver to the Investor an executed Conversion Schedule indicating the principal amount which has not been converted.

(b) Certain Conversion Restrictions.

(i) Notwithstanding anything to the contrary contained herein, the

number of shares of Common Stock that may be acquired by the Investor upon conversion of the Notes (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such conversion (or other issuance), the total number of shares of Common Stock then beneficially owned by such Investor and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Investor's for purposes of Section 13(d) of the Exchange Act, does not exceed 4.99% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such conversion). For such purposes , beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which an Investor may receive or beneficially own in order to determine the amount of securities or other consideration that such Investor may receive in the event of a Fundamental Transaction involving the Company as contemplated in Section 11 of this Note. By written notice to the Company, an Investor may waive the provisions of this Section S(b)(i) but any such waiver will not be effective until the 61st day after delivery thereof.

(ii) Notwithstanding anything to the contrary contained herein, the number of shares of Common Stock that may be acquired by an Investor upon each conversion of Notes (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such conversion (or other issuance), the total number of shares of Common Stock then beneficially owned by such Investor and its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with such Investor's for purposes of Section l 3(d) of the Exchange Act, does not exceed 9.99% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such conversion) . For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which an Investor may receive or beneficially own in order to determine the amount of securities or other consideration that such Investor may receive in the event of a Fundamental Transaction (defined below) involving the Company as contemplated herein. This restriction may not be waived, and notwithstanding anything to the contrary in any Transaction Document, may not be amended by agreement of the parties. Notwithstanding anything to the contrary contained in this Note or in any other Transaction Document , (a) no term of this Section may be waived by any party, nor amended such that the threshold percentage of ownership would be directly or indirectly increased , (b) no amendment or modification to any Transaction Document may be made such that it would have the effect of modifying or waiving any term of this Section in violation of this restriction , (c) this restriction runs with the Note and may not be modified or waived by any subsequent holder hereof and (d) any attempted waiver, modification or amendment of this Section will be void ab initio.

6. Mechanics of Conversion.

(a) The number of Underlying Shares issuable upon any conversion hereunder shall equal the outstanding principal amount of this Note to be converted, divided by the Conversion Price on the Conversion Date, plus (if indicated in the applicable Conversion Notice) the amount of any accrued but unpaid interest on this Note through the Conversion Date, divided by the Conversion Price on the Conversion Date.

(b) The Company shall, by the third Trading Day following each

Conversion Date, issue or cause to be issued and cause to be delivered to or upon the written order of the Investor and in such name or names as the Investor may designate a certificate for the Underlying Shares issuable upon such conversion, free of restrictive legends if at such time a Registration Statement is then effective and available for use by the Investor. The Investor, or any Person so designated by the Investor to receive Underlying Shares, shall be deemed to have become holder of record of such Underlying Shares as of such Conversion Date. The Company shall use its best efforts to deliver Underlying Shares hereunder electronically (via a DWAC) through the Depository Trust Corporation or another established clearing corporation performing similar functions.

(c) The Investor shall not be required to deliver the original Note in order to effect a conversion hereunder. Execution and delivery of the Conversion Notice shall have the same effect as cancellation of the Note and issuance of a New Note representing the remaining outstanding principal amount.

(d) The Company's obligations to issue and deliver Underlying Shares upon conversion of this Note in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Investor to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim , recoupment , limitation or termination , or any breach or alleged breach by the Investor or any other Person of any obligation to the Company or any violation or alleged violation of law by the Investor or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Investor in connection with the issuance of such Underlying Shares.

(e) If by the third Trading Day after a Conversion Date the Company fails to deliver to the Investor such Underlying Shares in such amounts and in the manner required pursuant to Section 5, then the Investor will have the right to rescind the Conversion Notice pertaining thereto by giving written notice to the Company prior to such Investor's receipt of such Underlying Shares.

(f) If by the third Trading Day after a Conversion Date the Company fails to deliver to the Investor the required number of Underlying Shares in the manner required pursuant to Section 5, and if after such third Trading Day and prior to the receipt of such Underlying Shares, the Investor purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Investor of the Underlying Shares which the Investor anticipated receiving upon such conversion (a **"Buy-In"),** then the Company shall:
(1) pay in cash to the Investor (in addition to any other remedies available to or elected by the Investor) the amount by which (x) the Investor's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (A) the number of Underlying Shares that the Company was required to deliver to the Investor in connection with the exercise at issue by (B) the Closing Price at the time of the obligation giving rise to such purchase obligation and (2) at the option of the Investor, either void the conversion at issue and reinstate the principal amount of Notes (plus accrued interest therein) for which such conversion was not timely honored or deliver to the Investor the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. The Investor shall provide the Company reasonably detailed evidence or written notice indicating the amounts payable to the Investor in respect of the Buy-In.

(g) If on any Conversion Date the Company does not have a sufficient number of authorized but unissued and otherwise unreserved shares of Common Stock available to deliver to the Investor the required number of Underlying Shares in the manner required pursuant to Section 5, then the Company shall pay in cash to the Investor (in addition to any other remedies available to or elected by the Investor), with respect to that portion of this Note that could not be satisfied in the manner required pursuant to Section 5, an amount equal to the greater of: (x) the principal amount of this Note that is being converted and that cannot be satisfied in the manner required pursuant to Section 5, together with any accrued and unpaid interest thereon, and (y) the amount obtained by multiplying (A) the number of Underlying Shares that the Company was required, but was not able, to deliver to the Investor in connection with the exercise at issue by (B) 105% of the Closing Price on the Trading Day on which the Conversion Notice was delivered to the Company. For the avoidance of doubt, any portion of any exercise that can be satisfied by the issuance of shares of Common Stock in the manner required pursuant to Section 5 shall be satisfied in such manner.

7. Events of Default.

(a) At any time or times following the occurrence and during the continuance of an Event of Default , the Investor may elect, by notice to the Company (an **"Event Notice"),** to require the Company to repay all or any portion of the outstanding principal amount of this Note, as indicated in such Event Notice (it being agreed that any Event Notice failing to specify a repayment amount shall be deemed a demand for repayment in full on account of the entire principal amount of all Notes to which such Event Notice applies), for a payment amount in Dollars in cash equal to the greater of: (A) I 02% of such outstanding principal amount (except that in the case of an Event Notice citing an Event of Default under clause (iii) of the definition of "Event of Default", in which case such amount shall equal the amount necessary to provide a total return to the Investor of 10% per annum on the Note), plus all accrued but unpaid interest thereon and any unpaid liquidated damages and other amounts then owing to the Investor under the Transaction Documents , through the date of payment in full of such repayment amount, or (B) the Event Equity Value of the Underlying Shares that would be issuable upon conversion of such principal amount and payment in Common Stock of all such accrued but unpaid interest thereon (without regard to any condition precedent or conversion limitation contained herein), plus an amount payable in cash of any liquidated damages and other amounts payable pursuant to the Transaction Documents. The aggregate amount payable pursuant to the preceding sentence is referred to as the **"Event Price."** The Company shall pay the aggregate Event Priceto the Investor (free of any claim of subordination) no later than the third Trading Day following the date of delivery of the Event Notice, and upon receipt thereof the Investor shall deliver the original Note so repurchased to the Company.

(b) Upon the occurrence of any Bankruptcy Event with respect to the Company, all outstanding principal and accrued but unpaid interest on this Note and any unpaid liquidated damages and other amounts then owing under the Transaction Documents shall immediately become due and payable in full in Dollars in cash (free of any claim of subordination) , without the requirement of delivery of any Event Notice or any other action by the Investor, and the Company shall immediately be obligated to repurchase this Note held by such Investor at the Event Price pursuant to the preceding paragraph as if the Investor had delivered an Event Notice immediately prior to the occurrence of such Bankruptcy Event.

(c) In connection with any Event of Default, the Investor need not provide and the Company hereby waives any presentment , demand , protest or other notice of any kind (other than the Event Notice if required hereunder) , and the Investor may immediately enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Any such declaration (including any Event Notice) may be rescinded and annulled by the Investor (at its sole discretion) at any time notwithstanding anything to the contrary which may have been contained in such declaration prior to payment hereunder. Any such rescission, annulment, or waiver will not impair the Investor's right to subsequently declare a new declaration or Event Notice subsequent to a rescission, annulment, or waiver. o such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereto .

8. Ranking. This Note ranks senior to all other Indebtedness of the Company. The Company will not, directly or indirectly, enter into, create, incur, assume or suffer to exist any Indebtedness or Liens of any kind , on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom , that is senior or pari passu in any respect to the Company's obligations under the Notes.

9. Reservation of Underlying Shares. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Underlying Shares as required hereunder , 150% of the number of Underlying Shares which are then issuable and deliverable upon the conversion of (and otherwise in respect of) this entire Note (taking into account the adjustments of Section 10), free from preemptive rights or any other contingent purchase rights of persons other than the Investor. The Company covenants that all Underlying Shares so issuable and deliverable shall, upon issuance in accordance with the terms hereof, be duly and validly authorized , issued and fully paid and nonassessable.

10. Certain Adjustments. The Conversion Price is subject to adjustment from time to time as set forth in this Section 10.

(a) Stock Dividends and Splits. If the Company, at any time while this Note is outstanding: (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii)

subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of shareholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) Pro Rata Distributions. If the Company, at any time while this Note is outstanding, distributes to all holders of Common Stock (i) evidences of its indebtedness,

(ii) any security (other than a distribution of Common Stock covered by the preceding paragraph), (iii) rights or warrants to subscribe for or purchase any security, or (iv) any other asset (in each case, **"Distributed Property") ,** then, at the request of the Investor delivered before the 90th day after the record date fixed for determination of shareholders entitled to receive such distribution , the Company will deliver to the Investor, within five Trading Days after such request (or, if later, on the effective date of such distribution) , the Distributed Propertythat the Investor would have been entitled to receive in respect of the Underlying Shares for which this Note could have been converted immediately prior to such record date. If such Distributed Property is not delivered to the Investor pursuant to the preceding sentence, then upon any conversion of this Note that occurs after such record date, the Investor shall be entitled to receive, in addition to the Underlying Shares otherwise issuable upon such conversion, the Distributed Property that the Investor would have been entitled to receive in respect of such number of Underlying Shares had the Investor been the record holder of such Underlying Shares immediately prior to such record date. Notwithstanding the foregoing, this Section 1O(b) shall not apply to any distribution of rights or securities in respect of adoption by the Company of a shareholder rights plan, which events shall be covered by Section I O(a).

(c) Fundamental Transactions. If, at any time while this Note is outstanding, (i) the Company effects any merger or consolidation of the Company with or into another Person, (ii) the Company effects any sale of all or substantially all of its assets inone or a series of related transactions , (iii) any tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Co1mnon Stock tender or exchange their shares for other securities, cash or property, or (iv) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (other than as a result of a subdivision or combination of shares of Common Stock coveredby Section 1O(a) above) (in any such case, a **"Fundamental Transaction") ,** then the Investor shall have the right to: (x) declare an Event of Default pursuant to clause (iii) thereunder , or (y)upon any subsequent conversion of this Note, receive, for each Underlying Share that wouldhave been issuable upon such conversion absent such Fundamental Transaction, the same kindand amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been , immediately prior to such Fundamental Transaction, the holder of one share of Common Stock (the **"AlternateConsideration")** or (z) require the surviving entity to issue to the Investor an instrument identical to this Note (with an appropriate adjustment to the conversion price) such that the Investor may receive shares of the surviving 13

company's common stock. For purposes of any such conversion, the Company shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Investor shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Company or surviving entity in such Fundamental Transaction (or, if different , the ultimate parent of such successor or entity or the entity issuing the Alternate Consideration) shall issue to the Investor a new debenture consistent with the foregoing provisions and evidencing the Investor's right to convert such

debenture into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this paragraph (c) and insuring that this Note (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(d) Subsequent Equity Sales.

(i) If the Company or any subsidiary thereof, as applicable, at any time while this Note is outstanding, shall issue or enter into any agreement or understanding to issue shares of Common Stock or Common Stock Equivalents entitling any Person to acquire shares of Common Stock, at a price per share less than the Conversion Price (if the holder of the Common Stock or Common Stock Equivalent so issued shall at any time, whether by operation of purchase price adjustments, reset provisions , floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights issued in connection with such issuance, be entitled to receive shares of Common Stock at a price less than the Conversion Price, such issuance shall be deemed to have occurred for less than the Conversion Price), then, the Conversion Price shall automatically be reduced to mirror such lower price. Such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued. The Company shall notify the Investor in writing, no later than the Trading Day following the issuance of any Common Stock or Common Stock Equivalent subject to this section, indicating therein the applicable issuance price, or of applicable reset price, exchange price, conversion price and other pricing terms, but failure to provide such notice will not delay or affect the reduction of the Conversion Price. If, while this Note is outstanding, the Company enters into any understanding or agreement to issue or sell securities, or otherwise engages in discussions with any Person in connection with a potential issuance or sale of securities that would trigger an adjustment to the Conversion Price, then notwithstanding the fact that such actual issuance of Common Stock or Common Stock Equivalents occurs after the term of the Note, such issuance will be treated as if it had occurred prior to the expiration of the Note term.

(ii) For purposes of this subsection 10(d), the following subsections (d)(ii)(l) to (d)(ii)(6) shall also be applicable:

(1) Issuance of Rights or Options. In case at any time the Company shall in any manner grant (directly and not by assumption in a merger or otherwise) any warrants or other rights to subscribe for or to purchase, or any options for the purchase of, C01mnon Stock or any stock or security convertible into or exchangeable for

Common Stock (such warrants, rights or options being called **"Options"** and such convertible or exchangeable stock or securities being called **"Convertible Securities")** whether or not such Options or the right to convert or exchange any such Convertible Securities are immediatelyexercisable, and the price per share for which Common Stock is issuable upon the exercise of such Options or upon the conversion or exchange of such Convertible Securities (determined bydividing (i) the sum (which sum shall constitute the applicable consideration) of (x) the total amount, if any, received or receivable by the Company as consideration for the granting of such Options, plus (y) the aggregate amount of additional consideration payable to the Company uponthe exercise of all such Options, plus (z), in the case of such Options which relate to ConvertibleSecurities, the aggregate amount of additional consideration , if any, payable upon the issue or sale of such Convertible Securities and upon the conversion or exchange thereof, by (ii) the total

maximum number of shares of Common Stock issuable upon the exercise of such Options or upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Options) shall be less than the Conversion Price in effect immediately prior to the time of the granting of such Options, then the total number of shares of Common Stock issuable upon the exercise of such Options or upon conversion or exchange of the total amount of such Convertible Securities issuable upon the exercise of such Options shall be deemed to have beenissued for such price per share as of the date of granting of such Options or the issuance of such Convertible Securities and thereafter shall be deemed to be outstanding for purposes of adjusting the Conversion Price. Except as otherwise provided in subsection 10(d)(ii)(3), no adjustment of the Conversion Price shall be made upon the actual issue of such Common Stock or of such Convertible Securities upon exercise of such Options or upon the actual issue of such CommonStock upon conversion or exchange of such Convertible Securities.

(2) Issuance of Convertible Securities. In case the Company shall in any manner issue (directly and not by assumption in a merger or otherwise) or sell any Convertible Securities, whether or not the rights to exchange or convert any such Convertible Securities are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange (determined by dividing (i) the sum (which sum shall constitute the applicable consideration) of (x) the total amount received or receivable by the Company as consideration for the issue or sale of such Convertible Securities, plus (y) the aggregate amount of additional consideration , if any, payable to the Company upon the conversion or exchange thereof, by (ii) the total number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities) shall be less than the Conversion P1ice in effect immediately prior to the time of such issue or sale, then the total maximum number of shares of Common Stock issuable upon conversion or exchange of all such Convertible Securities shall be deemed to have been issued for such price per share as of the date of the issue or sale of such Convertible Securities and thereafter shall be deemed to be outstanding for purposes of adjusting the Conversion Price, provided that (a) except as otherwise provided in subsection 10(d)(ii)(3), no adjustment of the Conversion Price shall be made upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities and (b) no further adjustment of the Conversion Price shall be made by reason of the issue or sale of Convertible Securities upon exercise of any Options to purchase any such Convertible Securities forwhich adjustments of the Conversion Price have been made pursuant to the other provisions ofsubsection 11(d).

(3) Change in Option Price or Conversion Rate. Upon the happening of any of the following events, namely, if the purchase price provided for in any Option referred to in subsection 10(d)(ii)(l) hereof, the additional consideration , if any, payable upon the conversion or exchange of any Convertible Securities referred to insubsections 10(d)(ii)(l) or 10(d)(ii)(2), or the rate at which Convertible Securities referred to in subsections 10(d)(ii)(l) or 10(d)(ii)(2) are convertible into or exchangeable for Common Stockshall change at any time (including, but not limited to, changes under or by reason of provisions designed to protect against dilution), the Conversion Price in effect at the time of such event shall forthwith be readjusted to the Conversion Price which would have been in effect at such time had such Options or Convertible Securities still outstanding provided forsuch changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted , issued or sold. On the termination of any Option for which any adjustment was made pursuant to this subsection 10(d) or any right to convert or exchange Convertible Securities for which any adjustment was made pursuant to this subsection 10(d) (including without limitation upon the

redemption or purchase for consideration of such Conve1iible Securities by the Company), the Conversion Price then in effect hereunder shall forthwith be changed to the Conversion Price which would have been in effect at the time of such termination had such Option or Convertible Securities, to the extent outstanding immediately prior to such termination , never been issued.

(4) Stock Dividends. Subject to the provisions of this Section 10(d), i n case the Company shall declare a dividend or make any other distribution upon any stock of the Company (other than the Common Stock) payable in Common Stock, Options or Convertible Securities, then any Common Stock, Options or Convertible Securities, as the case may be, issuable in payment of such dividend or distribution shall be deemed to have been issued or sold without consideration.

(5) Consideration for Stock. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for cash, the consideration received therefor shall be deemed to be the net amount received by the Company therefor , after deduction therefrom of any expenses incurred or any underwriting commissions or concessions paid or allowed by the Company in connection therewith. In case any shares of Common Stock, Options or Convertible Securities shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Company shall be deemed to be the fair value of such consideration as determined in good faith by the Board of Directors of the Company, after deduction of any expenses incurred or any underwriting commissions or concessions paid or allowed by the Company in connection therewith. In case any Options shall be issued in connection with the issue and sale of other securities of the Company, together comprising one integral transaction in which no specific consideration is allocated to such Options by the parties thereto, suchOptions shall be deemed to have been issued for such consideration as determined in good faith by the Board of Directors of the Company. If Common Stock, Options or Convertible Securities shall be issued or sold by the Company and, in connection therewith, other Options or Convertible Securities (the **"Additional Rights")** are issued, then the consideration received or deemed to be received by the Company shall be reduced by the fair market value of the Additional Rights (as determined using the Black-Scholes option pricing model or another method mutually agreed to by the Company and the Investor). The Board of Directors of the Company shall respond promptly, in writing, to an inquiry by the Investors as to the fair market value of the Additional Rights. In the event that the

Board of Directors of the Company and the Investors are unable to agree upon the fair market value of the Additional Rights, the Company and the Investors shall jointly select an appraiser, who is experienced in such matters . The decision of such appraiser shall be final and conclusive, and the cost of such appraiser shall be borne evenly by the Company and the Investor.

(6) Record Date. In case the Company shall take a record of the holders of its Common Stock for the purpose of entitling them (i) to receive a dividend or other distribution payable in Common Stock, Options or Convertible Securities or

(ii) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case

may be.

(iii) Notwithstanding the foregoing, no adjustment will be made under this paragraph (d) in respect of: (1) the issuance of securities upon the exercise or conversion of any Common Stock Equivalents issued by the Company prior to the Original Issue Date of this Note (but will apply to any amendments , modifications, and reissuances thereof and as a result of any changes, resets or adjustments to a conversion or exchange price thereunder whether or not as a result of any amendment, modification or reissuance) , or (2) the grant of options or warrants, or the issuance of additional securities, under any duly authorized Company stock option, stock incentive plan, restricted stock plan or stock purchase plan in existence on the Original Issue Date.

(e) Reclassifications; Share Exchanges. In case of any reclassification of the Common Stock, or any compulsory share exchange pursuant to which the Common Stock is converted into other securities, cash or property (other than compulsory share exchanges which constitute Change of Control transactions), the Investors of the Notes then outstanding shall have the right thereafter to conveli such shares only into the shares of stock and other securities, cash and property receivable upon or deemed to be held by holders of Common Stock following such reclassification or share exchange, and the Investors shall be entitled upon such event to receive such amount of securities, cash or property as a holder of the number of shares of Common Stock of the Company into which such shares of Notes could have been converted immediately prior to such reclassification or share exchange would have been entitled. This provision shall similarly apply to successive reclassifications or share exchanges.

(f) Calculations. All calculations under this Section 10 shall be made to the nearest cent or the nearest 1/1OOth of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock.

(g) Notice of Adjustments. Upon the occurrence of each adjustment pursuant to this Section 10, the Company at its expense will promptly compute such adjustment in accordance with the terms hereof and prepare a certificate describing in reasonable detail such adjustment and the transactions giving rise thereto, including all facts upon which such adjustment is based. Upon written request, the Company will promptly deliver a copy of each such certificate to the Investor.

(h) Notice of Corporate Events. If the Company (i) declares a dividend or any other distribution of cash, securities or other property in respect of its Common Stock, including without limitation any granting of rights or warrants to subscribe for or purchase any capital stock of the Company or any subsidiary, (ii) authorizes and publicly approves, or enters into any agreement contemplating or solicits shareholder approval for any Fundamental Transaction or (iii) publicly authorizes the voluntary dissolution , liquidation or winding up of the affairs of the Company, then the Company shall deliver to the Investor a notice describing the material terms and conditions of such transaction , at least 20 calendar days prior to the applicable record or effective date on which a Person would need to hold Common Stock in order to participate in or vote with respect to such transaction , and the Company will take all steps reasonably necessary in order to insure that the Investor is

given the practical opportunity to convert this Note prior to such time so as to participate in or vote with respect to such transaction; provided , however , that the failure to deliver such notice or any defect therein shall not affect the validity of the corporate action required to be described in such notice.

11. Fractional Shares. The Company shall not be required to issue or cause to be issued fractional Underlying Shares on conversion of this Note. If any fraction of an Underlying Share would, except for the provisions of this Section, be issuable upon conversion of this Note or payment of interest hereon, the number of Underlying Shares to be issued will be rounded up to the nearest whole share.

12. Notices. Any and all notices or other communications or deliveries hereunder (including without limitation any Conversion Notice) shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission , if such notice or communication is delivered via facsimile at the facsimile number specified in this Section prior to 5:30 p.m. (New York City time) on a Trading Day, (ii) the next Trading Day after the date of transmission , if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the Trading Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be: (i) if to the Company, to 6650 Via Austi Parkway, Suite 140, Las Vegas, Nevada 89119, facsimile: [ ], Attention: President, (ii) if to the Investor, to the address or facsimile number appearing on the Company's shareholder records or such other address or facsimile number as the Investor may provide to the Company in accordance with this Section.

13. Miscellaneous.

(a) This Note shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Subject to Section 14(a), above, nothing in this Note shall be construed to give to any person or corporation other than the Company and the Investor any legal or equitable right, remedy or cause under this Note. This Note shall mere to the sole and exclusive benefit of the Company and the Investor.

(c) All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all Proceedings shall be commenced exclusively in the state and federal courts sitting in the City of New York, Borough of Manhattan (the **"New York Courts").** Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for any Proceeding, and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any New York Court or that a New York Court is an inconvenient forum for such Proceeding. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such

service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal Proceeding. The prevailing party in a Proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Proceeding.

(d) The headings herein are for convenience only, do not constitute a part of this Note and shall not be deemed to limit or affect any of the provisions hereof.

(e) In case any one or more of the provisions of this Note shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Note shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Note.

(f) No provision of this Note may be waived or amended except (i) in accordance with the requirements set forth in the Exchange Agreement, and (ii) in a written instrument signed, in the case of an amendment , by the Company and the Investor or, in the case of a waiver, by the party against whom enforcement of any such waiver is sought. No waiver of any default with respect to any provision , condition or requirement of this Note shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision , condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

(g) To the extent it may lawfully do so, the Company hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted , now or at any time hereafter in force, in connection with any claim, action or Proceeding that may be brought by any Investor in order to enforce any right or remedy under the Note. Notwithstanding any provision to the contrary contained in Note, it is expressly agreed and provided that the total liability of the Company under this Note for payments in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the **"Maximum Rate"),** and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums in the nature of interest that the Company may be obligated to pay under this Note exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by law and applicable to this Note is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate of interest applicable to the Note from the effective date forward, unless such application is precluded by applicable law. If under any circumstances whatsoever , interest in excess of the Maximum Rate is paid by the Company to the Investor with respect to indebtedness evidenced by this Note, such excess shall be applied by such Investor to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at such Investor 's election.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed by a duly authorized officer as of the date first above indicated.

LAS VEGAS RAILWAY EXPRESS, INC.
By: /s/ Michael Barron

Michael Barron

CEO

EXHIBIT A

CONVERSION

NOTICE

(To be Executed by the Registered Investor in order to convert Notes)

The undersigned hereby elects to convert the principal amount of Note indicated below, into shares of Common Stock of LAS VEGAS RAILWAY EXPRESS, INC., as of the date writtenbelow. If shares are to be issued in the name of a Person other than undersigned , the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the Investor for any conversion , except for such transfer taxes, if any. All terms used in this notice shall have the meanings set f01ih in the Note.

Conversion calculations:

Date to Effect Conversion

_____

Principal amount of Note owned prior to conversion Principal

_____

amount of Note to be Converted

_____

Principal amount of Note remaining after Conversion

_____

DTC Account

_____

Number of shares of Common Stock to be Issued Applicable

_____

Conversion Price

_____

Name of lnvestor

By: _____

Name:

Title:

By the delivery of this Conversion Notice the Investor represents and warrants to the Company that its ownership of the Common Stock does not exceed the restrictions set forth i n Section 5(b) of the Note.

Schedule 1

LAS VEGAS RAILWAY EXPRESS, INC.

10% Senior Secured Convertible Promissory Notes due November 30, 2014

CONVERSION SCHEDULE

This Conversion Schedule reflects conversions made under the above referenced Notes .

Dated :

Date of Conversion	Amount of Conversion	Aggregate Principal Amount Remaining Subsequent to Conversion	Applicable Conversion Price

Exhibit 10.20

ATTACHMENT 1

DEFINITIONS

For purposes of this Note, the following terms shall have the following meanings:

A 1. "Deemed Issuance" means an issuance of Common Stock that shall be deemed to have occurred on the latest possible permitted date pursuant to the terms hereof or any applicable Warrant in the event Borrower fails to deliver Conversion Shares as and when required pursuant to Sections 3 or 8 of the Note or Warrant Shares as and when required pursuant to the Warrant. For the avoidance of doubt, if Borrower has elected or is deemed under Section 8.3 To have elected to pay an Installment Amount in Installment Conversion Shares and fails to deliver such Installment Conversion Shares, such failure shall be considered a Deemed Issuance hereunder even if an Equity Conditions Failure exists at that time or other relevant date of determination.

A2. "OTC" means the Depository Trust Company.

A3. "OTC Eligible" means, with respect to the Common Stock, that such Common Stock is eligible to be deposited in certificate form at the DTC, cleared and converted into electronic shares by the DTC and held in the name of the clearing firm servicing Lender's brokerage firm for the benefit of Lender.

A4. "OTC/FAST Program" means the DTC's Fast Automated Securities Transfer Program.

A5. "OWAC" means Deposit Withdrawal at Custodian as defined by the DTC.

A6."DWAC Eligible" means that (i) Borrower's Common Stock is eligible at OTC for full services pursuant to DTC's operational arrangements , including without limitation transfer through DTC's DWAC system, (ii) Borrower has been approved (without revocation) by the DTC 's underwriting department, (iii) Borrower 's transfer agent is approved as an agent in the DTC/FAST Program , (iv) the Conversion Shares are otherwise eligible for delivery via DWAC; (v) Borrower has previously delivered all Conversion Shares to Lender via DWAC ; and (vi) Borrower 's transfer agent does not have a policy prohibiting or limiting delivery of the Conversion Shares via DWAC.

A 7. "Equity Conditions Failure" means that any of the following conditions has not been satisfied during any applicable Equity Conditions Measuring Period (as defined below): (i) with respect to the applicable date of determination all of the Conversion Shares are freely tradable under Rule 144 or without the need for registration under any applicable federal or state securities laws (in each case, disregarding any limitation on conversion of this Note); (ii) on each day during the period beginning one month prior to the applicable date of determination and ending on and including the applicable date of determination (the "Equity Conditions Measuring Period"), the Common Stock is listed or designated for quotation (as applicable) on any of The New York Stock Exchange, NYSE Amex , the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market, the OTC Bulletin Board , the OTCQX or the OTCQB (each, an "Eligible Market") and shall not have been suspended from trading on any such Eligible Market (other than suspensions of not more than two (2) Trading Days and occurring prior to the applicable date of determination due to business announcements by Borrower) ; (iii) on each day during the Equity Conditions Measuring Period, Borrower shall have delivered all shares of Common Stock issuable upon conversion of this Note on a timely basis as set forth in Section 9 hereof and all other shares of capital stock required to be delivered by Borrower on a timely basis as set forth in the other Transaction Documents; (iv) any shares of Common Stock to be issued in connection with the event requiring determination may be issued in full without violating Section 12 hereof (Lender acknowledges that Borrower shall be entitled to assume that this condition has been met for all purposes hereunder

absent written notice from Lender); (v) any shares of Common Stock to be issued in connection with the event requiring determination may be issued in full without violating the rules or regulations of the Eligible Market on which the Common Stock is then listed or designated for quotation (as applicable); (vi) on each day during the Equity Conditions Measuring Period , no public announcement of a pending, proposed or intended Fundamental Transaction shall have occurred which has not been abandoned, terminated or consummated ; (vii) Borrower shall have no knowledge of any fact that would reasonably be expected to cause any of the Conversion Shares to not be freely tradable without the need for registration under any applicable state securities laws (in each case, disregarding any limitation on conversion of this Note) ; (viii) on each day during the Equity Conditions Measuring Period, Borrower otherwise shall have been in material compliance with each, and shall not have breached any, term, provision , covenant, representation or warranty of any Transaction Document; (ix) without limiting clause (viii) above, on each day during the Equity Conditions Measuring Period , there shall not have occurred an Event of Default or an event that with the passage of time or giving of notice would constitute an Event of Default ; (x) on each Installment Notice Due Date and each Installment Date, the average and median daily dollar volume of the Common Stock on its principal market for the previous twenty (20) Trading Days shall be greater than $7,500.00; (xi) the ten (l0) day average VWAP of the Common Stock is greater than $0.05, and (xii) the Common Stock shall be DWAC Eligible as of each applicable Installment Notice Due Date and Installment Date.

A8. **"Free Trading"** means that (a) the shares or certificate(s) representing the applicable shares of Common Stock have been cleared and approved for public resale by the compliance departments of Lender's brokerage firm and the clearing firm servicing such brokerage, and (b) such shares are held in the name of the clearing firm servicing Lender's brokerage firm and have been deposited into such clearing firm's account for the benefit of Lender.

A9. **"Fundamental Transaction "** means that (y) (i) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions , consolidate or merge with or into (whether or not Borrower or any of its subsidiaries is the surviving corporation) any other person or entity, or (ii) Borrower or any of its subsidiaries shall, directly or indirectly , in one or more related transactions , sell, lease, license, assign, transfer, convey or otherwise dispose of all or substantially all of its respective properties or assets to any other person or entity, or (iii) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions , allow any other person or entity to make a purchase, tender or exchange offer that is accepted by the holders of more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the person or persons making or party to, or associated or affiliated with the persons or entities making or party to, such purchase , tender or exchange offer), or (iv) Borrower or any of its subsidiaries shall, directly or indirectly , in one or more related transactions, consummate a stock or share purchase agreement or other business combination (including, without l imitation , a reorganization , recapitalization , spin-off or scheme of arrangement) with any other person or entity whereby such other person or entity acquires more than 50% of the outstanding shares of voting stock of Borrower (not including any shares of voting stock of Borrower held by the other persons or entities making or party to, or associated or affiliated with the other persons or entities making or party to, such stock or share purchase agreement or other business combination), or (v) Borrower or any of its subsidiaries shall, directly or indirectly, in one or more related transactions, reorganize , recapitalize or reclassify the Common Stock, other than an increase in the number of authorized shares of Borrower 's Common Stock, or (z) any "person " or "group" (as these terms are used for purposes of Sections 13(d) and 14(d) of the 1934 Act and the rules and regulations promulgated thereunder) is or shall become
the "beneficial owner" (as defined in Rule l 3d-3 under the 1934 Act), directly or indirectly, of 50% of the aggregate ordinary voting power represented by issued and outstanding voting stock of Borrower.

A 10. **"Installment Amount"** means $22,333.33 ($335,000.00 ÷ 15), plus the sum of any accrued and unpaid interest that has been added to the lowest-numbered then-current Conversion Eligible Tranche as of the applicable Installment Date and accrued, and unpaid late charges that have been added

to the lowest-numbered then- current Conversion Eligible Tranche, if any, under this Note as of the applicable Installment Date, and any other amounts accruing or owing to Lender under this Note as of such Installment Date ; *provided, however,* that, if the remaining amount owing under all then-existing Conversion Eligible Tranches or otherwise with respect to this Noteas of the applicable Installment Date is less than the Installment Amount set forth above, then the Installment Amount for such Installment Date (and only such Installment Amount) shall be reduced (and only reduced) by the amount necessary to cause such Installment Amount to equal such outstanding amount.

A **11. "Market Capitalization of the Common Stock"** shall mean the product equal to (a) the average V WAP of the Common Stock for the immediately preceding fifteen (15) Trading Days, multiplied by (b) the aggregate number of outstanding shares of Common Stock as reported on Borrower 's most recently filed Form 10-Q or Form10-K.

A 12. **"Trading Day"** shall mean any day on which the Common Stock is traded or tractable for any period on the Common Stock's principal market, or on the principal securities exchange or other securities market on which the Common Stock is then being traded.

EXHIBIT A

TYPENEX CO-INVESTMENT, LLC
303 East Wacker Drive, Suite 1200
Chicago, Illinois 60601

Las Vegas Railway Express, Inc. Date: _____

Attn: Michael Barron
6650 Via Austi Parkway, Suite 140
Las Vegas, Nevada 89119

LENDER CONVERSION NOTICE

The above-captioned Lender hereby gives notice to Las Vegas Railway Express, Inc., a Delaware corporation (the "Borrower "), pursuant to that certain Secured Convertible Promissory Note made by Borrower in favor of Lender on May 12, 2014 (the "Note"), that Lender elects to convert the portion of the Note balance set forth below into fully paid and non-assessable shares of Common Stock of Borrower as of the date of conversion specified below. Said conversion shall be based on the Lender Conversion Price set forth below. In the event of a conflict between this Lender Conversion Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion, Lender may provide a new form of Lender Conversion Notice to conform to the Note. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

A. Date of Conversion: _____
B. Lender Conversion #: _____
C. Conversion Amount: _____
D. Lender Conversion Price: _____
E. Lender Conversion Shares: _____ (C divided by D)
F. Remaining Outstanding Balance of Note: _____ *
G. Remaining balance of Investor Notes: *
H. Outstanding Balance of Note net of balance of Investor Notes: _____ * (F minus G)

* Subject to adjustments for corrections, defaults, interest and other adjustments permitted by the Transaction Documents (as defined in the Purchase Agreement).

The Conversion Amount converted hereunder shall be deducted from the following Conversion Eligible Tranche(s):

Conversion Amount	Tranche No.

Please transfer the Lender Conversion Shares electronically (via D WAC) to the following account:
Broker: Address: _____
OTC#: _____ _____
Account #: _____ _____
Account Name: _____

To the extent the Lender Conversion Shares are not able to be delivered to Lender electronically via the DWAC system, deliver all such certificated shares to Lender via reputable overnight courier after receipt of this Lender Conversion Notice (by facsimile transmission or otherwise) to:

_____

_____

_____

Sincerely,

Lender:

TYPENEX CO-INV ESTMENT, LLC

By: Red Cliffs Investments, Inc., its Manager

By: _____
John M. Fife, President

EXHIBIT B

Las Vegas Railway Express, Inc.
6650 Via Austi Parkway, Suite 140
Las Vegas, Nevada 89119

Typenex Co-Investment,LLC
Attn: John Fife
303 E. Wacker Dr., Suite 1200
Chicago, Illinois 6060 I

Date: _____

INSTALLMENT NOTICE

The above-captioned Borrower hereby gives notice to Typenex Co-Investment, LLC, a Utah limited liability company (the **"Lender"),** pursuant to that certain Secured Convertible Promissory Note made by Borrower in favor of Lender on May 12, 2014 (the **"Note"),** of certain Borrower elections and certifications related to payment of the Installment Amount of $ due on , 201_ (the **"Installment Date").** In the event of a conflict between this Installment Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion,Lender may provide a new form of Installment Notice to conform to the Note. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

INSTALLMENT CONVERSION AND CERTIFICATIONS AS OF THE INSTALLMENT DATE

A. INSTALLMENT CONVERSION

A. Installment Date:_____, 201
B. Installment Amount: _____
C. Portion of Installment Amount Borrower elected to pay in cash:_____
D. Portion of Installment Amount to be converted into Common Stock: (B min us C)
E. Installment Conversion Price: (lower of (i) Lender Conversion Price in effect and (ii) Market Price as of Installment Date)
F. Installment Conversion Shares:_____(D divided by E)
G. Remaining Outstanding Balance of Note:_____*
H. Remaining balance of Investor Notes : *
1. Outstanding Balance of Note net of balance of Investor Notes:_____* (G min us **H)**

B. EQUITY CONDITIONS CERTIFICATION

1. . Market Capitalization of the Common Stock:_____

(Check One)

2. _____Borrower herby certifies that no Equity Conditions Failure exists as of the Installment Date. 3.

Borrower hereby gives notice that an Equity Conditions Failure has occurred and requests a waiver from Lender with respect thereto. The Equity Conditions Failure is as follows:

Sincerely,

Borrower:

LAS VEGAS

RAILWAY

EXPRESS, INC.

By: Michael
Barron

Title: CEO

EXHIBIT C

Typenex Co-Investment,LLC
303 East Wacker Drive, Suite 1200
Chicago, Illinois 60601

Las Vegas Railway Express, Inc. Date: _____

Attn: Michael Barron
6650 Via Austi Parkway, Suite 140
Las Vegas, Nevada 89119

TRUE-UP NOTICE

The above-captioned Lender hereby gives notice to Las Vegas Railway Express, Inc., a Delaware corporation (the *"Borrower")* , pursuant to that certain Secured Convertible Promissory Note made by Borrower in favor of Lender on May 12, 2014 (the "Note"), of True-Up Conversion Shares related to _____, 201_ (the "Installment Date"). In the event of a conflict between this True-Up Notice and the Note, the Note shall govern, or, in the alternative, at the election of Lender in its sole discretion, Lender may provide a new form of True-Up Notice to conform to the Note. Capitalized terms used in this notice without definition shall have the meanings given to them in the Note.

TRUE-UP CONVERSION SHARES AND CERTIFICATIONS AS OF THE TRUE-UP DATE

1. TRUE-UP CONVERSION SHARES

A. Installment Date:_____, 20I

B. True-Up Date:_____, 201

C. Portion of Installment Amount converted into Common Stock: _____

D. True-Up Conversion Price: _____(lower of (i) Lender Conversion Price in effect and (ii) Market Price as of True-Up Date)

E. True-Up Conversion Shares:_____(C divided by D)

F. Installment Conversion Shares delivered:_____

G. True-Up Conversion Shares to be delivered :_____(only applicable if E minus F is greater than zero)

2. EQUITY CONDITIONS CERTIFICATION (Section to be completed by Borrower)

A. Market Capitalization of the Common Stock :_____

(Check One)

B. Borrower herby certifies that no Equity Conditions Failure exists as of the applicable True-Up Date.

C. Borrower hereby gives notice that an Equity Conditions Failure has occurred and requests a waiver from Lender with respect thereto.The Equity Conditions Failure is as follows:

_____

_____

_____

_____

Sincerely, Lender:

TYPENEX CO-INVESTMENT, LLC

By: Red Cliffs Investments,Inc., its Manager

By: John M. Fife, President

ACKNOWLEDGED AND CERTIFIED BY:

Borrower:

Las Vegas Railway Express, Inc.

By: Michael Barron, CEO

Exhibit 10.21

THIS NOTE AND THE COMMON STOCK ISSUABLE UPON CONVERSION OF THIS NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER(THE "1933 ACT")

US $35,000.00

LAS VEGAS RAILWAY EXPRESS, INC. 8%
CONVERTIBLE REDEEMABLE NOTE DUE
JULY 24, 2015
BACK END NOTE

FOR VALUE RECEIVED, Las Vegas Railway Express, Inc. (the "Company") promises to pay to the order of ADAR BAYS, LLC and its authorized successors and permitted assigns ("Holder"), the aggregate principal face amount of Thirty Five Thousand Dollars exactly (U.S. $35,000.00) on July 24, 2015 ("Maturity Date") and to pay interest on the principal amount out- standing hereunder at the rate of 8% per annum commencing on July 24, 2014. The interest will be paid to the Holder in whose name this Note is registered on the records of the Company regarding registration and transfers of this Note. The principal of, and interest on, this Note are payable at 3411 Indian Creek Drive, Suite 403, Miami Beach, FL 33140, initially, and if changed, last appearing on the records of the Company as designated in writing by the Holder hereof from time to time. The Company will pay each interest payment and the outstanding principal due upon this Note before or on the Maturity Date, less any amounts required by law to be deducted or withheld, to the Holder of this Note by check or wire transfer addressed to such Holder at the last address appearing on the records of the Company. The forwarding of such check or wire transfer shall constitute a payment of outstanding principal hereunder and shall satisfy and discharge the liability for principal on this Note to the extent of the sum represented by such check or wire transfer. Interest shall be payable in Common Stock (as defined below) pursuant to paragraph 4(b) herein.

This Note is subject to the following additional provisions:

1. This Note is exchangeable for an equal aggregate principal amount of Notes of different authorized denominations, as requested by the Holder surrendering the same.

No service charge will be made for such registration or transfer or exchange, except that Holder shall pay any tax or other governmental charges payable in connection therewith.

2. The Company shall be entitled to withhold from all payments any amounts required to be withheld under applicable laws.

3. This Note may be transferred or exchanged only in compliance with the Securities Act of 1933, as amended ("Act") and applicable state securities laws. Any attempted transfer to a non-qualifying party shall be treated by the Company as void. Prior to due presentment for transfer of this Note, the Company and any agent of the Company may treat the person in whose name this Note is duly registered on the Company's records as the owner hereof for all other purposes, whether or not this Note be overdue, and neither the Company nor any such agent shall be affected or bound by notice to the contrary. Any Holder of this Note electing to exercise the right of conversion set forth in Section 4(a) hereof, in addition to the requirements set forth in Section 4(a), and any prospective transferee of this Note, also is required to give the Company written confirmation that this Note is being converted ("Notice of Conversion") in the form annexed hereto as Exhibit A. The date of receipt (including receipt by telecopy) of such Notice of Conversion shall be the Conversion Date.

4. (a) The Holder of this Note is entitled, at its option, after the expiration of the requisite Rule 144 holding period and after full cash payment for the promissory note issued by the Holder to the Company simultaneously with the issuance by the Company of this Note (the "Holder Issued Note"), to convert all or any amount of the principal face amount ofthis Note then outstanding into shares of the Company's common stock (the "Common Stock") without restrictive legend of any nature, at a price ("Conversion Price") for each share of Common Stock equal to 57% of the **lowest trading price** of the Common Stock as reported on the National Quotations Bureau OTCQB exchange which the Company's shares are traded or any exchange upon which the Common Stock may be traded in the future ("Exchange"), for the **fifteen** prior trading days including the day upon which a Notice of Conversion is received by the Company (provided such Notice of Conversion is delivered by fax or other electronic method of communication to the Company after 4 P.M. Eastern Standard or Daylight Savings Time if the Holder wishes to include the same day closing price). If the shares have not been delivered within 3 business days, the Notice of Conversion may be rescinded. Such conversion shall be effectuated by the Company delivering the shares of Common Stock to the Holder within 3 business days of receipt by the Company of the Notice of Conversion. Once the Holder has received such shares of Common Stock, the Holder shall surrender this Note to the Company, executed by the Holder evidencing such Holder's intention to convert this Note or a specified portion hereof, and accompanied by proper assignment hereof in blank. Accrued but unpaid interest shall be subject to conversion. No fractional shares or scrip representing fractions of shares will be issued on conversion, but the number of shares issuable shall be rounded to the nearest whole share. *In the event the Company experiences a DTC "Chill" on its shares, the conversion price shall be de-creased to 47% instead of 57% while that "Chill" is in effect.*

(b) Interest on any unpaid principal balance of this Note shall be paid at the rate of 8% per annum. Interest shall be paid by the Company in Common Stock ("Interest Shares"). The Holder may, at any time, send in a Notice of Conversion to the Company for interest Shares

based on the formula provided in Section 4(a) above. The dollar amount converted into Interest Shares shall be all or a portion of the accrued interest calculated on the unpaid principal balance of this Note to the date of such notice.

(c) This Note may not be prepaid, except that if the $35,000 Rule 144 convertible redeemable note issued by the Company of even date herewith is redeemed by the Company within 6 months of the issuance date of such Note, all obligations of the Company under this Note and all obligations of the Holder under the Holder Issued Note will each be automatically be deemed satisfied and this Note and the Holder Issued Note will be automatically be deemed cancelled and of no further force or effect.

(d) Upon (i) a transfer of all or substantially all of the assets of the Company to any person in a single transaction or series of related transactions, (ii) a reclassification, capital reorganization or other change or exchange of outstanding shares of the Common Stock, other than a forward or reverse stock split or stock dividend, or (iii) any consolidation or merger of the Company with or into another person or entity in which the Company is not the surviving entity (other than a merger which is effected solely to change the jurisdiction of incorporation of the Company and results in a reclassification , conversion or exchange of outstanding shares of Common Stock solely into shares of Common Stock) (each of items (i), (ii) and (iii) being referred to as a "Sale Event"), then, in each case, the Company shall, upon request of the Holder, redeem this Note in cash for 150% of the principal amount, plus accrued but unpaid interest through the date of redemption, or at the election of the Holder, such Holder may convert the unpaid principal amount of this Note (together with the amount of accrued but unpaid interest) into shares of Common Stock immediately prior to such Sale Event at the Conversion Price.

(e) In case of any Sale Event (not to include a sale of all or substantially all of the Company's assets) in connection with which this Note is not redeemed or converted, the Company shall cause effective provision to be made so that the Holder of this Note shall have the right thereafter, by converting this Note, to purchase or convert this Note into the kind and number of shares of stock or other securities or property (including cash) receivable upon such reclassification, capital reorganization or other change, consolidation or merger by a holder of the number of shares of Common Stock that could have been purchased upon exercise of the Note and at the same Conversion Price, as defined in this Note, immediately prior to such Sale Event. The foregoing provisions shall similarly apply to successive Sale Events. If the consideration received by the holders of Common Stock is other than cash, the value shall be as deter- mined by the Board of Directors of the Company or successor person or entity acting in good faith.

5. No provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, and interest on, this Note at the time, place, and rate, and in the form, herein prescribed.

6. The Company hereby expressly waives demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonor, notice of acceleration or intent to accelerate, and diligence in taking any action to collect amounts called for hereunder and shall be directly and primarily liable for the payment of all sums owing and to

be owing hereto.

7. The Company agrees to pay all costs and expenses, including reasonable attorneys' fees and expenses, which may be incurred by the Holder in collecting any amount due under this Note.

8. If one or more of the following described "Events of Default" shall occur:

(a) The Company shall default in the payment of principal or interest on this Note or any other note issued to the Holder by the Company; or

(b) Any of the representations or warranties made by the Company herein or in any certificate or financial or other written statements heretofore or hereafter furnished by or on behalf of the Company in connection with the execution and delivery of this Note shall be false or misleading in any respect; or

(c) The Company shall fail to perform or observe, in any respect, any covenant, term, provision, condition, agreement or obligation of the Company under this Note or any other note issued to the Holder and not cure such breach within 10 days; or

(d) The Company shall (1) become insolvent; (2) admit in writing its inability to pay its debts generally as they mature; (3) make an assignment for the benefit of creditors or commence proceedings for its dissolution; (4) apply for or consent to the appointment of a trustee, liquidator or receiver for its or for a substantial part of its property or business; (5) file a petition for bankruptcy relief, consent to the filing of such petition or have filed against it an involuntary petition for bankruptcy relief, all under federal or state laws as applicable; or

(e) A trustee, liquidator or receiver shall be appointed for the Company or for a substantial part of its property or business without its consent and shall not be discharged within sixty (60) days after such appointment; or

(t) Any governmental agency or any court of competent jurisdiction at the instance of any governmental agency shall assume custody or control of the whole or any substantial portion of the properties or assets of the Company; or

(g) Unless previously disclosed in the Company's filings with the Securities and Exchange Commission, one or more money judgments, writs or warrants of attachment, or similar process, in excess of Fifty thousand dollars ($50,000) in the aggregate, shall be entered or filed against the Company or any of its properties or other assets and shall remain unpaid, unvacated, unbonded or unstayed for a period of fifteen (15) days or in any event later than five (5) days prior to the date of any proposed sale thereunder; or

(h) The Company shall have defaulted on or breached any term of any other note of similar debt instrument into which the Company has entered and failed to cure such default within the appropriate grace period; or

(i) The Company shall have its Common Stock delisted from an exchange (including the OTCBB exchange) or, if the Common Stock trades on an exchange, then trading in the Common Stock shall be suspended for more than I O consecutive days;

U) Intentionally Deleted;

(k) The Company shall not deliver to the Holder the Common Stock pursuant to paragraph 4 herein without restrictive legend within 3 business days of its receipt of a Notice of Conversion; or

(l) The Company shall not replenish the reserve set forth in Section 12, within 5 business days of the request of the Holder ; or

(m) The Company's Common Stock has a closing bid price of less than $0.05 per share for at least 5 consecutive trading days; or

(n) The aggregate dollar trading volume of the Company's Common Stock is less than forty thousand dollars ($40,000.00) in any 5 consecutive trading days; or

(o) The Company shall cease to be "current" in its filings with the Securities and Exchange Commission; or

(p) The Company shall lose the "bid" price for its stock in a market (including the OTCBB marketplace or other exchange)

Then, or at any time thereafter, unless cured (except for 8(m) and 8(n) which are incurable de- faults, the sole remedy of which is to allow the Holder to cancel both this Note and the Holder Issued Note, and in each and every such case, unless such Event of Default shall have been waived in writing by the Holder (which waiver shall not be deemed to be a waiver of any subsequent default) at the option of the Holder and in the Holder's sole discretion, the Holder may consider this Note immediately due and payable, without presentment, demand, protest or (further) notice of any kind (other than notice of acceleration), all of which are hereby expressly waived, anything herein or in any note or other instruments contained to the contrary notwithstanding, and the Holder may immediately, and without expiration of any period of grace, enforce any and all of the Holder's rights and remedies provided herein or any other rights or remedies afforded by law. Upon an Event of Default, interest shall be accrue at a default interest rate of 16% per annum or, if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, if the Note becomes due and payable, the Holder may use the outstanding principal and interest due under the Note to offset any payment obligations it may have to the Company. In the event of a breach of 8(k) the penalty shall be $250 per day the shares are not issued beginning on the 4th day after the conversion notice was delivered to the Company. This penalty shall increase to $500 per day beginning on the J0[1]h day. Once cash funded, the penalty for a breach of Section 8(p) shall be an increase of the outstanding principal amounts by 20%. Once cash funded, in the event of a breach of Section 8(i), the outstanding principal due under this Note shall increase by 50%. If this Note is not paid at maturity, the out- standing principal due under this Note shall increase by I0%.

If the Holder shall commence an action or proceeding to enforce any provisions of this Note, including, without limitation, engaging an attorney, then, if the Holder prevails in such action, the Holder shall be reimbursed by the Company for its attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

9. In case any provision of this Note is held by a court of competent jurisdiction to be excessive in scope or otherwise invalid or unenforceable , such provision shall be adjusted rather than voided, if possible, so that it is enforceable to the maximum extent possible, and the validity and enforceability of the remaining provisions of this Note will not in any way be affected or impaired thereby.

10. Neither this Note nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by the Company and the Holder.

11. The Company represents that it is not a "shell" issuer and has never been a "shell" issuer or that if it previously has been a "shell" issuer that at least 12 months have passed since the Company has reported form 10 type information indicating it is no longer a "shell issuer. Further. The Company will instruct its counsel to either (i) write a 144- 3(a) (9) opinion to allow for salability of the conversion shares or (ii) accept such opinion from Holder' s counsel.

12. Prior to cash funding of this Note, The Company will issue irrevocable transfer agent instructions reserving 3x the number of shares of Common Stock necessary to allow the holder to convert this note based on the discounted conversion price set forth in Section 4(a) herewith. The reserve shall be replenished as needed to allow for conversions of this Note. Upon full conversion of this Note, the reserve representing this Note shall be cancelled. The Company will pay all transfer agent costs associated with issuing and delivering the shares.

13. The Company will give the Holder direct notice of any corporate actions including but not limited to name changes, stock splits, recapitalizations etc. This notice shall be given to the Holder as soon as possible under law.

14. This Note shall be governed by and construed in accordance with the laws of New York applicable to contracts made and wholly to be performed within the State of New York and shall be binding upon the successors and assigns of each party hereto. The Holder and the Company hereby mutually waive trial by jury and consent to exclusive jurisdiction and venue in the courts of the State of New York. This Agreement may be executed in counterparts, and the facsimile transmission of an executed counterpart to this Agreement shall be effective as an original.

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed by an officer thereunto duly authorized.

Dated: 7/24/14

LAS VEGAS RAILWAY EXPRESS, INC.

By: Michael Barron

CEO

EXHIBIT A

NOTICE OF CONVERSION

(To be Executed by the Registered Holder in order to Convert the Note)

The undersigned hereby irrevocably elects to convert $ _____ of the above Note into _____ Shares of Common Stock of Las Vegas Railway Express, Inc. ("Shares") according to the conditions set forth in such Note, as of the date written below.

If Shares are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer and other taxes and charges payable with respect thereto.

Date of Conversion: _____

Applicable Conversion Price: _____

Signature: _____

[Print Name of Holder and Title of Signer]

Address: _____

_____

SSN or EIN: _____

Shares are to be registered in the following name: _____

Name: _____

Address: _____

Tel: _____

Fax: _____

SSN or EIN: _____

Shares are to be sent or delivered to the following account:

Account Name: _____

Address: _____

Exhibit 10.21

THIS NOTE AND THE COMMON STOCK ISSUABLE UPON CONVERSION OF TIDS NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "1933 ACT")

us $36,000.00

LAS VEGAS RAILWAY EXPRESS, INC. 8%
CONVERTIBLE REDEEMABLE NOTE DUE
JULY 24, 2015

FOR VALUE RECEIVED, Las Vegas Railway Express, Inc. (the "Company") promises to pay to the order of ADAR BAYS, LLC and its authorized successors and permitted assigns ("Holder"), the aggregate principal face amount of Thirty Six Thousand Dollars exactly (U.S. $36,000.00) on July 24, 2015 (“Maturity Date") and to pay interest on the principal amount out- standing hereunder at the rate of 8% per annum commencing on July 24, 2014. The interest will be paid to the Holder in whose name this Note is registered on the records of the Company regarding registration and transfers of this Note. The principal of, and interest on, this Note are payable at 3411 Indian Creek Drive, Suite 403, Miami Beach, FL 33140, initially, and if changed, last appearing on the records of the Company as designated in writing by the Holder hereof from time to time. The Company will pay each interest payment and the outstanding principal due upon this Note before or on the Maturity Date, less any amounts required by law to be deducted or withheld, to the Holder of this Note by check or wire transfer addressed to such Holder at the last address appearing on the records of the Company. The forwarding of such check or wire transfer shall constitute a payment of outstanding principal hereunder and shall satisfy and discharge the liability for principal on this Note to the extent of the sum represented by such check or wire transfer. Interest shall be payable in Common Stock (as defined below) pursuant to paragraph 4(b) herein.

This Note is subject to the following additional provisions:

1. This Note is exchangeable for an equal aggregate principal amount of Notes of

different authorized denominations, as requested by the Holder surrendering the same. No service charge will be made for such registration or transfer or exchange, except that Holder shall pay any tax or other governmental charges payable in connection therewith.

2. The Company shall be entitled to withhold from all payments any amounts required to be withheld under applicable laws.

3. This Note may be transferred or exchanged only in compliance with the Securities Act of 1933, as amended ("Act") and applicable state securities laws. Any attempted transfer to a non-qualifying party shall be treated by the Company as void. Prior to due presentment for transfer of this Note, the Company and any agent of the Company may treat the person in whose name this Note is duly registered on the Company's records as the owner hereof for all other purposes, whether or not this Note be overdue, and neither the Company nor any such agent shall be affected or bound by notice to the contrary. Any Holder of this Note electing to exercise the right of conversion set forth in Section 4(a) hereof, in addition to the requirements set forth in Section 4(a), and any prospective transferee of this Note, also is required to give the Company written confirmation that this Note is being converted ("Notice of Conversion") in the form annexed hereto as Exhibit A. The date of receipt (including receipt by telecopy) of such Notice of Conversion shall be the Conversion Date.

4. (a) The Holder of this Note is entitled, at its option, at any time after 180 days, to convert all or any amount of the principal face amount of this Note then outstanding into shares of the Company's common stock (the "Common Stock") without restrictive legend of any nature, at a price ("Conversion Price") for each share of Common Stock equal to 57% of the **lowest trading price** of the Common Stock as reported on the National Quotations Bureau OTCQB exchange which the Company's shares are traded or any exchange upon which the Common Stock may be traded in the future ("Exchange"), for the **fifteen** prior trading days including the day upon which a Notice of Conversion is received by the Company (provided such Notice of Conversion is delivered by fax or other electronic method of communication to the Company after 4 P.M. Eastern Standard or Daylight Savings Time if the Holder wishes to include the same day closing price). If the shares have not been delivered within 3 business days, the Notice of Conversion may be rescinded. Such conversion shall be effectuated by the Company delivering the shares of Common Stock to the Holder within 3 business days of receipt by the Company of the Notice of Conversion. Once the Holder has received such shares of Common Stock, the Holder shall surrender this Note to the Company, executed by the Holder evidencing such Holder's intention to convert this Note or a specified portion hereof, and accompanied by proper assignment hereof in blank. Accrued, but unpaid interest shall be subject to conversion. No fractional shares or scrip representing fractions of shares will be issued on conversion, but the number of shares issuable shall be rounded to the nearest whole share. *In the event the Company experiences a DTC "Chill" on its shares, the conversion price shall be decreased to 47% instead of 57% while that "Chill" is in effect.*

(b) Interest on any unpaid principal balance of this Note shall be paid at the rate of 8% per annum. Interest shall be paid by the Company in cash only.

(c) During the first six months this Note is in effect, the Company may re-

deem this Note by paying to the Holder an amount as follows: (i) if the redemption occurs within the first 90 days then an amount equal to 125% of the unpaid principal amount of this Note along with any prepaid and earned interest, (ii) if the redemption occurs after the first 90 days but before the 1515t day following the issuance of this Note, then an amount equal to 135% of the unpaid principal amount of this Note along with any prepaid and earned interest and (iii) if the redemption occurs after the first 150 days but before the I 81st day following the issuance of this Note, then an amount equal to 145% of the unpaid principal amount of this Note along with any prepaid and earned interest. This Note may not be redeemed after 180 days. The redemption must be closed and paid for within 3 business days of the Company sending the redemption demand or the redemption will be invalid and the Company may not redeem this Note.

(d) Upon (i) a transfer of all or substantially all of the assets of the Company to any person in a single transaction or series of related transactions, (ii) a reclassification , capital reorganization or other change or exchange of outstanding shares of the Common Stock, other than a forward or reverse stock split or stock dividend, or (iii) any consolidation or merger of the Company with or into another person or entity in which the Company is not the surviving entity (other than a merger which is effected solely to change the jurisdiction of incorporation of the Company and results in a reclassification, conversion or exchange of outstanding shares of Common Stock solely into shares of Common Stock) (each of items (i), (ii) and (iii) being referred to as a "Sale Event"), then, in each case, the Company shall, upon request of the Holder, redeem this Note in cash for 140% of the principal amount, plus accrued but unpaid interest through the date of redemption, or at the election of the Holder, such Holder may convert the un- paid principal amount of this Note (together with the amount of accrued but unpaid interest) into shares of Common Stock immediately prior to such Sale Event at the Conversion Price.

(e) In case of any Sale Event (not to include a sale of all or substantially all of the Company's assets) in connection with which this Note is not redeemed or converted, the Company shall cause effective provision to be made so that the Holder of this Note shall have the right thereafter, by converting this Note, to purchase or convert this Note into the kind and number of shares of stock or other securities or property (including cash) receivable upon such reclassification, capital reorganization or other change, consolidation or merger by a holder of the number of shares of Common Stock that could have been purchased upon exercise of the Note and at the same Conversion Price, as defined in this Note, immediately prior to such Sale Event. The foregoing provisions shall similarly apply to successive Sale Events. If the consideration received by the holders of Common Stock is other than cash, the value shall be as deter- mined by the Board of Directors of the Company or successor person or entity acting in good faith.

5. No provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, and interest on, this Note at the time, place, and rate, and in the form, herein prescribed.

6. The Company hereby expressly waives demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonor, notice of acceleration or intent to accelerate, and diligence in taking any action to collect amounts called

for hereunder and shall be directly and primarily liable for the payment of all sums owing and to be owing hereto.

7. The Company agrees to pay all costs and expenses, including reasonable attorneys' fees and expenses, which may be incurred by the Holder in collecting any amount due under this Note.

8. If one or more of the following described "Events of Default" shall occur:

(a) The Company shall default in the payment of principal or interest on this Note or any other note issued to the Holder by the Company; or

(b) Any of the representations or warranties made by the Company herein or in any certificate or financial or other written statements heretofore or hereafter furnished by or on behalf of the Company in connection with the execution and delivery of this Note, or the Securities Purchase Agreement under which this note was issued shall be false or misleading in any respect; or

(c) The Company shall fail to perform or observe, in any respect, any covenant, term, provision, condition, agreement or obligation of the Company under this Note or any other note issued to the Holder; or

(d) The Company shall (1) become insolvent; (2) admit in writing its inability to pay its debts generally as they mature; (3) make an assignment for the benefit of creditors or commence proceedings for its dissolution; (4) apply for or consent to the appointment of a trustee, liquidator or receiver for its or for a substantial part of its property or business; (5) file a petition for bankruptcy relief, consent to the filing of such petition or have filed against it an involuntary petition for bankruptcy relief, all under federal or state laws as applicable; or

(e) A trustee, liquidator or receiver shall be appointed for the Company or for a substantial part of its property or business without its consent and shall not be discharged within sixty (60) days after such appointment; or

(f) Any governmental agency or any court of competent jurisdiction at the instance of any governmental agency shall assume custody or control of the whole or any substantial portion of the properties or assets of the Company; or

(g) Unless previously disclosed in the Company's filings with the Securities and Exchange Commission, one or more money judgments, writs or warrants of attachment, or similar process, in excess of fifty thousand dollars ($50,000) in the aggregate, shall be entered or filed against the Company or any of its properties or other assets and shall remain unpaid, unvacated, unbonded or unstayed for a period of fifteen (15) days or in any event later than five (5) days prior to the date of any proposed sale thereunder.

(h) The Company shall have defaulted on or breached any term of any other note of similar debt instrument into which the Company has entered and failed to cure such de-

fault within the appropriate grace period; or

(i) The Company shall have its Common Stock delisted from an exchange (including the OTCBB exchange) or, if the Common Stock trades on an exchange, then trading in the Common Stock shall be suspended for more than 10 consecutive days;

G) If a majority of the members of the Board of Directors of the Company on the date hereof are no longer serving as members of the Board;

(k) The Company shall not deliver to the Holder the Common Stock pursuant to paragraph 4 herein without restrictive legend within 3 business days of its receipt of a Notice of Conversion; or

(1) The Company shall not replenish the reserve set forth in Section 12, with- in 3 business days of the request of the Holder; or

(m) The Company shall not be "current" in its filings with the Securities and Exchange Commission; or

(n) The Company shall lose the "bid" price for its stock in a market (including the OTCQB marketplace or other exchange).

Then, or at any time thereafter, unless cured, and in each and every such case, unless such Event of Default shall have been waived in writing by the Holder (which waiver shall not be deemed to be a waiver of any subsequent default) at the option of the Holder and in the Holder's sole discretion, the Holder may consider this Note immediately due and payable, without presentment, demand, protest or (further) notice of any kind (other than notice of acceleration), all of which are hereby expressly waived, anything herein or in any note or other instruments contained to the contrary notwithstanding, and the Holder may immediately, and without expiration of any period of grace, enforce any and all of the Holder's rights and remedies provided herein or any other rights or remedies afforded by law. Upon an Event of Default, interest shall accrue at a default interest rate of 16% per annum or, if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. In the event of a breach of Section 8(k) the penalty shall be $250 per day the shares are not issued beginning on the 4th day after the conversion no- tice was delivered to the Company. This penalty shall increase to $500 per day beginning on the 10th day. The penalty for a breach of Section 8(n) shall be an increase of the outstanding principal amounts by 20%. In case of a breach of Section 8(i), the outstanding principal due under this Note shall increase by 50%. If this Note is not paid at maturity, the outstanding principal due under this Note shall increase by 10%.

If the Holder shall commence an action or proceeding to enforce any provisions of this Note, including, without limitation, engaging an attorney, then if the Holder prevails in such action, the Holder shall be reimbursed by the Company for its attorneys' fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

9. In case any provision of this Note is held by a court of competent jurisdiction to be excessive in scope or otherwise invalid or unenforceable, such provision shall be adjusted rather than voided, if possible, so that it is enforceable to the maximum extent possible, and the validity and enforceability of the remaining provisions of this Note will not in any way be affected or impaired thereby.

I 0. Neither this Note nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument signed by the Company and the Holder.

11. The Company represents that it is not a "shell" issuer and has never been a "shell" issuer or that if it previously has been a "shell" issuer that at least 12 months have passed since the Company has reported form I O type information indicating it is no longer a "shell issuer. Further. The Company will instruct its counsel to either (i) write a 144- 3(a) (9) opinion to allow for salability of the conversion shares or (ii) accept such opinion from Holder's counsel.

12. The Company shall issue irrevocable transfer agent instructions reserving 1,691,000 shares of its Common Stock for conversions under this Note (the “Share Reserve"). The reserve shall be replenished as needed to allow for conversions of this Note. Upon full conversion of this Note, any shares remaining in the Share Reserve shall be cancelled. The Company shall pay all costs associated with issuing and delivering the shares.

13. The Company will give the Holder direct notice of any corporate actions, including but not limited to name changes, stock splits, recapitalizations etc. This notice shall be given to the Holder as soon as possible under law.

14. This Note shall be governed by and construed in accordance with the laws of New York applicable to contracts made and wholly to be performed within the State of New York and shall be binding upon the successors and assigns of each party hereto. The Holder and the Company hereby mutually waive trial by jury and consent to exclusive jurisdiction and venue in the courts of the State of New York. This Agreement may be executed in counterparts, and the facsimile transmission of an executed counterpart to this Agreement shall be effective as an original.

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed by an officer thereunto duly authorized.

Dated: 7/24/14 LAS VEGAS RAILWAY EXPRESS, INC.

By: Michael Barron, CEO

EXHIBIT A

NOTICE OF CONVERSION

(To be Executed by the Registered Holder in order to Convert the Note)

The undersigned hereby irrevocably elects to convert $ _____ of the above Note into _____ Shares of Common Stock of Las Vegas Railway Express, Inc. ("Shares") according to the conditions set forth in such Note, as of the date written below.

If Shares are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer and other taxes and charges payable with respect thereto.

Date of Conversion: _____

Applicable Conversion Price: _____

Signature: _____

[Print Name of Holder and Title of Signer]

Address: _____

_____

SSN or EIN: _____

Shares are to be registered in the following name: _____

Name: _____

_____

Address: _____

Tel: _____

Fax: _____

SSN or EIN: _____

Shares are to be sent or delivered to the following account:

Account Name: _____

Address: _____

Exhibit 10.22

NEITHERTHE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIESARE CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLJCABLE STATE SECURITIES LAWS. THE SECURITI ES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Principal Amount: $68,000.00 Issue Date: March 19, 2014
Purchase Price: $68,000.00

CONVERTIBLE PROMISSORY NOTE

FOR VALUE RECEIVED, LAS VEGAS RAILWAY EXPRESS, INC., a Delaware Corporation (hereinafter called the "Borrower"), hereby promises to pay to the order of KBM WORLDWIDE, INC., a New York corporation, or registered assigns (the "Holder") the sum of $68,000.00 together with any interest as set forth herein , on December 26, 2014 (the "Maturity Date"), and to pay interest on the unpaid principal balance hereof at the rate of eight percent (8%) (the "Interest Rate") per annum from the date hereof (the "Issue Date ") until the same becomes due and payable, whether at maturity or upon acceleration or by prepayment or otherwise. This Note may not be prepaid in whole or in part except as otherwise explicitly set forth herein. Any amount of principal or interest on this Note which is not paid when due shall bear interest at the rate of twenty two percent (22%) per annum from the due date thereof until the same is paid ("Default Interest"). Interest shall commence accruing on the date that the Note is fully paid and shall be computed on the basis of a 365-day year and the actual number of days elapsed. All payments due hereunder (to the extent not converted into common stock, $0.0001 par value per share (the "Common Stock") in accordance with the terms hereof) shall be made in lawful money of the United States of America. All payments shall be made at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a business day, the same shall instead be due on the next succeeding day which is a business day and, in the case of any interest payment date which is not the date on which this Note is paid in full, the extension or the due date thereof shall not be taken into account for purposes of determining the amount or interest due on such date. As used in this Note, the term “business day” shall mean any other day other than a Saturday, Sunday or a day on which commercial banks in the city of New York are authorized or required by law or executive order to remain closed. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in that certain Securities

Purchase Agreement dated the date hereof, pursuant to which this Note was originally issued (the " Purchase Agreement").

This Note is free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar right of shareholders of the Borrower and will not impose personal liability upon the holder thereof.

The following terms shall apply to this Note:

ARTICLE 1. CONVERSION RIGHTS

Conversion Right. The Holder shall have the right from time to time and at any time during the period beginning on the date which is one hundred eighty (180) days following the date of this Note and ending on the later of: (i) the Maturity Date and (ii) the date of payment of the Default Amount (as defined in Article III) pursuant to section 1.6 a) or Article III, each in respect of the remaining outstanding principal amount of this Note to convert all or an part of the outstanding and unpaid principal amount of this Note into fully paid and non-- assessable shares of Common Stock, as such Common Stock exist on the Issue Date, or any shares of capital stock or other securities of the Borrower which such Common Stock shall hereafter be changed or reclassified at the conversion price (the "Conversion Price") determined as provided herein (a "Conversion"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that portion of this Note upon conversion of which the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of ant other security of the Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding shares of Common Stock. For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso, provided, further, however, that the limitations on conversions may be waived by the Holder upon, at the election of the Holder, not less than 61 days' prior notice to the Borrower, and the provision of the conversion limitation shall continue.

If, at any time the Borrower does not maintain the Reserved Amount it will be considered an Event of Default under Section 3.2 of the Note.

1.4 Method of Conversion.

(a) Mechanics of Conversion. Subject to Section 1.1, this Note may be converted by the Holder in whole or in part at any time from time to time after the Issue Date, by
(A) submitting to the Borrower a Notice of Conversion (by facsimile, email or other reasonable means of communication dispatched on the Conversion Date prior to 6:00 p.m., New York, New York time) and (B) subject to Section 1.4(b), surrendering this Note at the principal office of the Borrower.

(b) Surrender of Note Upon Conversion. Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Borrower unless the entire unpaid principal amount of this Note is so converted. The Holder and the Borrower shall maintain records showing the principal amount so converted and the dates of such conversions or

shall use such other method, reasonably satisfactory to the Holder and the Borrower, so as not to require physical surrender of this Note upon each such conversion. In the event of any dispute or discrepancy, such records of the Borrower shall, *prima facie,* be controlling and determinative in the absence of manifest error. Notwithstanding the foregoing, if any portion of this Note is converted as aforesaid, the Holder may not transfer this Note unless the Holder first physically surrenders this Note to the Borrower, whereupon the Borrower will forthwith issue and deliver upon the order of the Holder a new Note of like tenor, registered as the Holder (upon payment by the Holder of any applicable transfer taxes) may request, representing in the aggregate the remaining unpaid principal amount of this Note. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note represented by this Note may be less than the amount stated on the face hereof.

(c) Payment of Taxes. The Borrower shall not be required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares of Common Stock or other securities or property on conversion of this Note in a name other than that of the Holder (or in street name), and the Borrower shall not be required to issue or deliver any such shares or other securities or property unless and until the person or persons (other than the Holder or the custodian in whose street name such shares are to be held for the Holder's account) requesting the issuance thereof shall have paid to the Borrower the amount of any such tax or shall have established to the satisfaction of the Borrower that such tax has been paid.

(d) Delivery of Common Stock Upon Conversion. Upon receipt by the Borrower from the Holder of a facsimile transmission or email (or other reasonable means of communication) of a Notice of Conversion meeting the requirements for conversion as provided in this Section 1.4, the Borrower shall issue and deliver or cause to be issued and delivered to or upon the order of the Holder certificates for the Common Stock issuable upon such conversion within three (3) business days after such receipt (the "Deadline") (and, solely in the case of conversion of the entire unpaid principal amount hereof, surrender of this Note) in accordance with the terms hereof and the Purchase Agreement.

(e) Obligation of Borrower to Deliver Common Stock. Upon receipt by the Borrower of a Notice of Conversion, the Holder shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, the outstanding principal amount and the amount of accrued and unpaid interest on this Note shall be reduced to reflect such conversion, and, unless the Borrower defaults on its obligations under this Article I, all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Common Stock or other securities, cash or other assets, as herein provided, on such conversion. If the Holder shall have given a Notice of Conversion as provided herein, the Borrower's obligation to issue and deliver the certificates for Common Stock shall be absolute and unconditional, irrespective of the absence of any action by the Holder to enforce the same, any waiver or consent with respect to any provision thereof, the recovery of any judgment against any person or any action to enforce the same, any failure or delay in the enforcement of any other obligation of the Borrower to the holder of record, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder of any obligation to the Borrower, and irrespective of any other circumstance which might otherwise limit such obligation of the Borrower to the Holder in connection with such conversion. The Conversion Date specified in the Notice of Conversion shall be the Conversion Date so long as the Notice of Conversion is received by the Borrower

before 6:00 p.m., New York, New York time, on such date.

(f) Delivery of Common Stock by Electronic Transfer. In lieu of delivering physical certificates representing the Common Stock issuable upon conversion, provided the Borrower is participating in the Depository Trust Company ("OTC") Fast Automated Securities Transfer ("FAST") program, upon request of the Holder and its compliance with the provisions contained in Section 1.1 and in this Section 1.4, the Borrower shall use its best efforts to cause its transfer agent to electronically transmit the Common Stock issuable upon conversion to the Holder by crediting the account of Holder's Prime Broker with OTC through its Deposit Withdrawal Agent Commission ("OWAC") system.

(g) Failure to Deliver Common Stock Prior to Deadline. Without in any way limiting the Holder's right to pursue other remedies, including actual damages and/or equitable relief, the parties agree that if delivery of the Common Stock issuable upon conversion of this Note is not delivered by the Deadline (other than a failure due to the circumstances described in Section 1.3 above, which failure shall be governed by such Section) the Borrower shall pay to the Holder $2,000 per day in cash, for each day beyond the Deadline that the Borrower fails to deliver such Common Stock. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to the Borrower by the first day of the month following the month in which it has accrued), shall be added to the principal amount of this Note, in which event interest shall accrue thereon in accordance with the terms of this Note and such additional principal amount shall be convertible into Common Stock in accordance with the terms of this Note. The Borrower agrees that the right to convert is a valuable right to the Holder. The damages resulting from a failure, attempt to frustrate, and interference with such conversion right are difficult if not impossible to qualify. Accordingly the parties acknowledge that the liquidated damages provision contained in this Section 1.4(g) are justified.

1.5 Concerning the Shares. The shares of Common Stock issuable upon conversion of this Note may not be sold or transferred unless (i) such shares are sold pursuant to an effective registration statement under the Act or (ii) the Borrower or its transfer agent shall have been furnished with an opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that the shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration or (iii) such shares are sold or transferred pursuant to Rule 144 under the Act (or a successor rule) ("Rule 144") or (iv) such shares are transferred to an "affiliate" (as defined in Rule 144) of the Borrower who agrees to sell or otherwise transfer the shares only in accordance with this Section 1.5 and who is an Accredited Investor (as defined in the Purchase Agreement). Except as otherwise provided in the Purchase Agreement (and subject to the removal provisions set forth below), until such time as the shares of Common Stock issuable upon conversion of this Note have been registered under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold, each certificate for shares of Common Stock issuable upon conversion of this Note that has not been so included in an effective registration statement or that has not been sold pursuant to an effective registration statement or an exemption that permits removal of the legend, shall bear a legend substantially in the following form, as appropriate:

"NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH

THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRA NGEMENT SECURED BY THE SECURITIES."

The legend set forth above shall be removed and the Borrower shall issue to the Holder a new certificate therefore free of any transfer legend if (i) the Borrower or its transfer agent shall have received an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale or transfer of such Common Stock may be made without registration under the Act, which opinion shall be accepted by the Company so that the sale or transfer is effected or (ii) in the case of the Common Stock issuable upon conversion of this Note, such security is registered for sale by the Holder under aneffective registration statement filed under the Act or otherwise may be sold pursuant to Rule 144 without any restriction as to the number of securities as of a particular date that can then be immediately sold. In the event that the Company does not accept the opinion of counsel provided by the Holder with respect to the transfer of Securities pursuant to an exemption from registration, such as Rule 144 or Regulation S, at the Deadline, it will be considered an Event of Default pursuant to Section 3.2 of the Note.

1.6 Effect of Certain Events.

(a) Effect of Merger, Consolidation, Etc. At the option of the Holder, the sale, conveyance or disposition of all or substantially all of the assets of the Borrower, the effectuation by the Borrower of a transaction or series of related transactions in which more than 50% of the voting power of the Borrower is disposed of, or the consolidation, merger or other business combination of the Borrower with or into any other Person (as defined below) or Persons when the Borrower is not the survivor shall either: (i) be deemed to be an Event of Default (as defined in Article Ill) pursuant to which the Borrower shall be required to pay to the Holder upon the consummation of and as a condition to such transaction an amount equal to the Default Amount (as defined in Article IJJ) or (ii) be treated pursuant to Section 1.6(b) hereof. "Person" shall mean any individual, corporation, limited liability company, partnership, association, trust or other entity or organization.

(b) Adjustment Due to Merger, Consolidation, Etc. If, at any time when this Note is issued and outstanding and prior to conversion of all of the Notes, there shall be any merger, consolidation, exchange of shares, recapitalization, reorganization, or other similar event, as a result of which shares of Common Stock of the Borrower shall be changed into the same or a different number of shares of another class or classes of stock or securities of the Borrower or another entity, or in case of any sale or conveyance of all or substantially all of the assets of the Borrower other than in connection with a plan of complete liquidation of the Borrower, then the Holder of this Note shall thereafter have the right to receive upon conversion of this Note, upon the basis and upon the terms and conditions specified herein and in lieu of the

shares of Common Stock immediately theretofore issuable upon conversion , such stock, securities or assets which the Holder would have been entitled to receive i n such transaction had this Note been converted in full immediately prior to such transaction (without regard to any limitations on conversion set fo1th herein), and in any such case appropriate provisions shall be made with respect to the rights and interests of the Holder of this Note to the end that the provisions hereof (including, without limitation, provisions for adjustment of the Conversion Price and of the number of shares issuable upon conversion of the Note) shall thereafter be applicable, as nearly as may be practicable in relation to any securities or assets thereafter deliverable upon the conversion hereof. The Borrower shall not affect any transaction described in this Section 1.6(b) unless (a) it first gives, to the extent practicable, thirty (30) days prior written notice (but in any event at least fifteen (15) days prior written notice) of the record date of the special meeting of shareholders to approve, or if there is no such record date, the consummation of, such merger, consolidation, exchange of shares, recapitalization, reorganization or other similar event or sale of assets (during which time the Holder shall be entitled to convert this Note) and (b) the resulting successor or acquiring entity (if not the Borrower) assumes by written instrument the obligations of this Section 1.6(b). The above provisions shall similarly apply to successive consolidations, mergers, sales, transfers or share exchanges.

(c) Adjustment Due to Distribution. If the Borrower shall declare or make any distribution of its assets (or rights to acquire its assets) to holders of Common Stock as a dividend, stock repurchase, by way of return of capital or otherwise (including any dividend or distribution to the Borrower's shareholders in cash or shares (or rights to acquire shares) of capital stock of a subsidiary (i.e., a spin-oft)) (a "Distribution "), then the Holder of this Note shall be entitled, upon any conversion of this Note after the date of record for determining shareholders entitled to such Distribution , to receive the amount of such assets which would have been payable to the Holder with respect to the shares of Common Stock issuable upon such conversion had such Holder been the holder of such shares of Common Stock on the record date for the determination of shareholders entitled to such Distribution.

(d) Adjustment Due to Dilutive Issuance. If at any time when any Notes are issued and outstanding, the Borrower issues or sells, or in accordance with this Section 1.6(d) hereof is deemed to have issued or sold, any shares of Common Stock for no consideration or for a consideration per share (before deduction of reasonable expenses or commissions or underwriting discounts or allowances i n connection therewith) less than the Conversion Price in effect on the date of such issuance (or deemed issuance) of such shares of Common Stock (a "Dilutive Issuance"), then immediately upon the Dilutive Issuance, the Conversion Price will be reduced to the amount of the consideration per share received by the Borrower i n such Dilutive Issuance.

The Borrower shall be deemed to have issued or sold shares of Common Stock if the Borrower in any manner issues or grants any warrants, rights or options (not including employee stock option plans), whether or not immediately exercisable, to subscribe for or to purchase Common Stock or other securities convertible into or exchangeable for Common

Stock ("Convertible Securities") (such warrants, rights and options to purchase Common Stock or Convertible Securities are hereinafter referred to as "Options") and the price per share for which Common Stock is issuable upon the exercise of such Options is less than the Conversion Price then in effect, then the Conversion Price shall be equal to such price per share. For purposes of the preceding sentence, the "price per share for which Common Stock is issuable upon the exercise of such Options" is determined by dividing (i) the total amount, **if** any, received or receivable by the Borrower as consideration for the issuance or granting of all such Options, plus the minimum aggregate amount of additional consideration, if any, payable to the Borrower upon the exercise of all such Options, plus, in the case of Convertible Securities issuable upon the exercise of such Options, the minimum aggregate amount of additional consideration payable upon the conversion or exchange thereof at the time such Convertible Securities first become convertible or exchangeable, by (ii) the maximum total number of shares of Common Stock issuable upon the exercise of all such Options (assuming **full** conversion of Convertible Securities, if applicable). No further adjustment to the Conversion Price will be made upon the actual issuance of such Common Stock upon the exercise of such Options or upon the conversion or exchange of Convertible Securities issuable upon exercise of such Options.

Additionally, the Borrower shall be deemed to have issued or sold shares of Common Stock if the Borrower in any manner issues or sells any Convertible Securities, whether or not immediately convertible (other than where the same are issuable upon the exercise of Options), and the price per share for which Common Stock is issuable upon such conversion or exchange is less than the Conversion Price then in effect, then the Conversion Price shall be equal to such price per share. For the purposes of the preceding sentence, the "price per share for which Common Stock is issuable upon such conversion or exchange" is determined by dividing (i) the total amount, if any, received or receivable by the Borrower as consideration for the issuance or sale of all such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Borrower upon the conversion or exchange thereof at the time such Convertible Securities first become convertible or exchangeable, by (ii) the maximum total number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities. No further adjustment to the Conversion Price will be made upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities.

(e) Purchase Rights. If, at any time when any Notes are issued and outstanding, the Borrower issues any convertible securities or rights to purchase stock, warrants, securities or other property (the "Purchase Rights") pro rata to the record holders of any class of Common Stock, then the Holder of this Note will be

entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which such Holder could have acquired if such Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Note (without regard to any limitations on conversion contained herein) immediately before the date on which a record is ta ken for the grant, issuance or sale of such Purchase Rights or, if no such record is taken, the date as of which the record holders of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights.

(f) Notice of Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price as a result of the events described in this Section 1.6, the Borrower, at its expense, shall promptly compute such adjustment or readjustment and prepare and furnish to the Holder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Borrower shall, upon the written request at any time of the Holder, furnish to such Holder a like certificate setting fo1th (i) such adjustment or readjustment, (i i) the Conversion Price at the time in effect and (iii) the number of shares of Common Stock and the amount, if any, of other securities or property which at the time would be received upon conversion of the Note.

1.7 Trading Market Limitations. Unless permitted by the applicable rules and regulations of the principal securities market on which the Common Stock is then listed or traded, in no event shall the Borrower issue upon conversion of or otherwise pursuant to this Note and the other Notes issued pursuant to the Purchase Agreement more than the maximum number of shares of Common Stock that the Borrower can issue pursuant to any rule of the principal United States securities market on which the Common Stock is then traded (the "Maximum Share Amount"), which shall be 4.99% of the total shares outstanding on the Closing Date (as defined in the Purchase Agreement), subject to equitable adjustment from time to time for stock splits, stock dividends, combinations, capital reorganizations and similar events relating to the Common Stock occurring after the date hereof. Once the Maximum Share Amount has been issued, if the Borrower fails to eliminate any prohibitions under applicable law or the rules or regulations of any stock exchange, interdealer quotation system or other self-regulatory organization with jurisdiction over the Borrower or any of its securities on the Borrower's ability to issue shares of Common Stock in excess of the Maximum Share Amount, in lieu of any fut1her right to convert this Note, this will be considered an Event of Default under Section 3.3 of the Note.

1.8 Status as Shareholder. Upon submission of a Notice of Conversion by a Holder, (i) the shares covered thereby (other than the shares, if any, which cannot be issued because their issuance would exceed such Holder's allocated portion of the Reserved Amount or Maximum Share Amount) shall be deemed converted into shares of Common Stock and (i i) the Holder's rights as a Holder of such conve1 1ed portion of this Note shall cease and terminate, excepting only the right to receive certificates for such shares of Common Stock and to any remedies provided herein or otherwise available at law or in equity to such Holder because of a failure by the Borrower to comply with the terms of this Note. Notwithstanding the

foregoing, if a Holder has not received ce1tificates for all shares of Common Stock prior to the tenth (l 0th) business day after the expiration of the Deadline with respect to a conversion of any portion of this Note for any reason, then (unless the Holder otherwise elects to retain its status as a holder of Common Stock by so notifying the Borrower) the Holder shall regain the rights of a Holder of this Note with respect to such unconverted portions of this Note and the Borrower shall, as soon as practicable, return such unconverted Note to the Holder or, if the Note has not been surrendered , adjust its records to reflect that such po1tion of this Note has not been converted. In all cases, the Holder shall retain all of its rights and remedies (including, without limitation, (i) the right to receive Conversion Default Payments pursuant to Section 1.3 to the extent required thereby for such Conversion Default and any subsequent Conversion Default and (i i) the right to have the Conversion Price with respect to subsequent conversions determined in accordance with Section 1.3) for the Borrower's failure to convert this Note.

1.9 Prepayment. Notwithstanding anything to the contrary contained in this Note, at any time du ring the period beginning on the Issue Date and ending on the date which is thirty (30) days following the Issue Date, the Borrower shall have the right, exercisable on not less than three (3) Trading Days prior written notice to the Holder of the Note to prepay the outstanding Note (principal and accrued interest), in full, in accordance with this Section 1 .9. Any notice of prepayment hereunder (an "Optional Prepayment Notice ") shall be delivered to the Holder of theNote at its registered addresses and shall state: (1) that the Borrower is exercising its right to prepay the Note, and (2) the date of prepayment which shall be not more than three (3) Trading Days from the date of the Optional Prepayment Notice. On the date fixed for prepayment (the "Optional Prepayment Date"), the Borrower shall make payment of the Optional PrepaymentAmount (as defined below) to or upon the order of the Holder as specified by the Holder inwriting to the Borrower at least one (L) business day prior to the Optional Prepayment Date. If the Borrower exercises its right to prepay the Note, the Borrower shall make payment to the Holder of an amount i n cash (the "Optional Prepayment Amount ") equal to 1 10%, multiplied bythe sum of: (w) the then outstanding principal amount of this Note (x) accrued and unpaid interest on the unpaid principal amount of this Note to the Optional Prepayment Date plus (y) Default Interest, if any, on the amounts referred to in clauses (w) and (x) plus (z) any amounts owed to the Holder pursuant to Sections 1.3 and 1.4(g) hereof. If the Borrower delivers an Optional Prepayment Notice and fails to pay the Optional Prepayment Amount due to the Holder of the Note within two (2) business days following the Optional Prepayment Date, the Borrower shall forever forfeit its right to prepay the Note pursuant to this Section 1 .9.

Notwithstanding anything to the contrary contained in this Note, at any time during the period beginning on the date which is thirty-one (31) days following the Issue Date and ending on the date which is sixty (60) days following the Issue Date, the Borrower shall have the right, exercisable on not less than three (3) Trading Days prior written notice to the Holder of the Note to prepay the outstanding Note (principal and accrued interest), in full, in accordance with this Section 1.9. Any Optional Prepayment Notice shall be delivered to the Holder of the Note at its registered addresses and shall state: (I) that the Borrower is exercising its right to prepay the Note, and (2) the date of prepayment which shall be not more than three (3) Trading Days from the date of the Optional Prepayment Notice. On the Optional Prepayment Date, the Borrower shall make

payment of the Second Optional Prepayment Amount (as defined below) to or upon the order of the Holder as specified by the Holder in writing to the Borrower at least one (l) business day prior to the Optional Prepayment Date. If the Borrower exercises its right to prepay the Note, the Borrower shall make payment to the Holder of an amount in cash (the "Second Optional Prepayment Amount") equal to 115%, multiplied by the sum of: (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note to the Optional Prepayment Date plus (y) Default Interest, if any, on the amounts referred to in clauses (w) and (x) (z) any amounts owed to the Holder pursuant to Sections 1.3 and l .4(g) hereof. If the Borrower delivers an Optional Prepayment Notice and fails to pay the Second Optional Prepayment Amount due to the Holder of the Note within two (2) business days following the Optional Prepayment Date, the Borrower shall forever forfeit its right to prepay the Note pursuant to this Section 1.9.

Notwithstanding anything to the contrary contained in this Note, at any time during the period beginning on the date which is sixty-one (61) days following the Issue Date and ending on the date which is ninety (90) days following the Issue Date, the Borrower shall have the right, exercisable on not less than three (3) Trading Days prior written notice to the Holder of the Note to prepay the outstanding Note (principal and accrued interest), in full, in accordance with this Section 1.9. Any Optional Prepayment Notice shall be delivered to the Holder of the Note at its registered addresses and shall state: (l) that the Borrower is exercising its right to prepay the Note, and (2) the date of prepayment which shall be not more than three Trading Days from the date of the Optional Prepayment Notice. On the Optional Prepayment Date, the Borrower shall make payment of the Third Optional Prepayment Amount (as defined below) to or upon the order of the Holder as specified by the Holder in writing to the Borrower at least one (1) business day prior to the Optional Prepayment Date. If the Borrower exercises itsright to prepay the Note, the Borrower shall make payment to the Holder of an amount in cash (the "Third Optional Prepayment Amount") equal to 120%, multiplied by the sum of: (w) the then outstanding principal amount of this Note plus (x) accrued and un paid interest on the unpaid principal amount of this Note to the Optional Prepayment Date plus (y) Default Interest, if any, on the amounts referred to in clauses (w) and (x) plus (z) any amounts owed to the Holder pursuant to Sections 1.3 and l .4(g) hereof. If the Borrower delivers an Optional PrepaymentNotice and fails to pa y the Third Optional Prepayment Amount due to the Holder of the Note within two (2) business days following the Optional Prepayment Date, the Borrower shall forever forfeit its right to prepay the Note pursuant to this Section 1.9.

Notwithstanding any to the contrary stated elsewhere herein, at any time during the period beginning on the date that is ninety-one (91) day from the Issue Date and ending one hundred twenty (120) days following the Issue Date, the Borrower shall have the right, exercisable on not less than three (3) Trading Days prior written notice to the Holder of the Note to prepay the outstanding Note (principal and accrued interest), in full, in accordance with this Section 1.9. Any Optional Prepayment Notice shall be delivered to the Holder of the Note at its registered addresses and shall state: (1) that the Borrower is exercising its right to prepay the Note, and (2) the date of prepayment which shall be not more than three (3) Trading Days from the date of the Optional Prepayment Notice. On the Optional Prepayment Date, the Borrower shall make payment of the Fourth Optional Prepayment Amount (as defined below) to or upon the order of the Holder as specified by the Holder in

writing to the Borrower at least one (1) business day prior to the Optional Prepayment Date. If the Borrower exercises its right to prepay the Note, the Borrower shall make payment to the Holder of an amount in cash (the "Fourth Optional Prepayment Amount") equal to 125%, multiplied by the sum of: (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note to the Optional Prepayment Date plus (y) Default Interest, if any, on the amounts referred to in clauses (w) and (x) (z) any amounts owed to the Holder pursuant to Sections 1.3 and 1.4(g) hereof. If the Borrower delivers an Optional Prepayment Notice and fails to pay the Fourth Optional Prepayment Amount due to the Holder of the Note with in two (2) business days following the Optional Prepayment Date, the Borrower shall forever forfeit its right to prepay the Note pursuant to this Section 1.9.

Notwithstanding any to the contrary stated elsewhere here n, at any time during the period beginning on the date that is one hundred twenty-one (121) day from the Issue Date and ending one hundred fifty (150) days following the Issue Date, the Borrower shall have the right, exercisable on not less than three (3) Trading Days prior written notice to the Holder of the Note to prepay the outstanding Note (principal and accrued interest), in full, in accordance with this Section 1.9. Any Optional Prepayment Notice shall be delivered to the Holder of the Note at its registered addresses and shall state: (]) that the Borrower is exercising its right to prepay the Note, and (2) the date of prepayment which shall be not more than three (3) Trading Days from the date of the Optional Prepayment Notice. On the Optional Prepayment Date, the Borrower shall make payment of the Fifth Optional Prepayment Amount (as defined below) to or upon the order of the Holder as specified by the Holder in writing to the Borrower at least one (1) business day prior to the Optional Prepayment Date. If the Borrower exercises its right to prepay the Note, the Borrower shall make payment to the Holder of an amount in cash (the "Fifth Optional Prepayment Amount") equal to 130%, multiplied by the sum of: (w) the then outstanding principal amount of this Note (x) accrued and unpaid interest on the unpaid principal amount of this Note to the Optional Prepayment Date plus (y) Default Interest, if any, on the amounts referred to in clauses (w) and (x) plus (z) any amounts owed to the Holder pursuant to Sections 1.3 and 1.4(g) hereof. If the Borrower delivers an Optional Prepayment Notice and fails to pay the Fifth Optional Prepayment Amount due to the Holder of the Note within two (2) business days following the Optional Prepayment Date, the Borrower shall forever forfeit its right to prepay the Note pursuant to this Section 1.9.

Notwithstanding any to the contrary stated elsewhere herein, at any time du ring the period beginning on the date that is one hundred fifty-one (151) day from the Issue Date and ending one hundred eighty (180) days following the Issue Date, the Borrower shall have the right, exercisable on not less than three (3) Trading Days prior written notice to the Holder of the Note to prepay the outstanding Note (principal and accrued interest), in full, in accordance with this Section 1.9. Any Optional Prepayment Notice shall be delivered to the Holder of the Note at its registered addresses and shall state: (1) that the Borrower is exercising its right to prepay the Note, and (2) the date of prepayment which shall be not more than three (3) Trading Days from the date of the Optional Prepayment Notice. On the Optional Prepayment Date, the Borrower shall make payment of the Sixth Optional Prepayment Amount (as defined below) to or upon the order of the Holder as specified by the Holder in writing to the Borrower at least one (1) business day prior to the Optional Prepayment Date. If the Borrower

exercises its right to prepay the Note, the Borrower shall make payment to the Holder of an amount in cash (the "Sixth Optional Prepayment Amount") equal to 135%, multiplied by the sum of: (w) the then outstanding principal amount of this Note (x) accrued and unpaid interest on the unpaid principal amount of this Note to the Optional Prepayment Date plus (y) Default interest, if any, on the amounts referred to in clauses (w) and (x) (z) any amounts owed to the Holder pursuant to Sections 1.3 and 1.4(g) hereof. If the Borrower delivers an Optional Prepayment Notice and fails to pay the Sixth Optional Prepayment Amount due to the Holder of the Note within two (2) business days following the Optional Prepayment Date, the Borrower shall forever forfeit its right to prepay the Note pursuant to this Section 1.9.

After the expiration of one hundred eighty (1 80) following the date of the Note, the Borrower shall have no right of prepayment.

ARTICLE II. CERTAIN COVENANTS

2.1 Distributions on Capital Stock. So long as the Borrower shall have any obligation under this Note, the Borrower shall not without the Holder's written consent (a)pay, declare or set apart for such payment, any dividend or other distribution (whether in cash, property or other securities) on shares of capital stock other than dividends on shares of Common Stock solely in the form of additional shares of Common Stock or (b) directly or indirectly or through any subsidiary make any other payment or distribution in respect of itscapital stock except for distributions pursuant to any shareholders' rights plan which is approved by a majority of the Borrower's disinterested directors.

2.2 Restriction on Stock Repurchases. So long as the Borrower shall have any obligation under this Note, the Borrower shall not without the Holder's written consent redeem, repurchase or otherwise acquire (whether for cash or in exchange for property or other securities or otherwise) in any one transaction or series of related transactions any shares of capital stock of the Borrower or any warrants, rights or options to purchase or acquire any such shares.

2.3 Borrowings. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, create, incur, assume guarantee, endorse, contingently agree to purchase or otherwise become liable upon the obligation of any person, firm, partnership, joint venture or corporation, except by the endorsement of negotiable instruments for deposit or collection, or suffer to exist any liability for borrowed money, except (a) borrowings in existence or committed on the date hereof and of which the Borrower has informed Holder in writing prior to the date hereof, (b) indebtedness to trade creditors or financial institutions incurred in the ordinary course of business or (c) bo1TOwings, the proceeds of which shall be used to repay this Note.

2.4 Sale of Assets. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, set lease or otherwise dispose of any significant po1tion of its assets outside the ordinary course of business. Any consent to the disposition of any assets may be conditioned on a specified use of the proceeds of disposition.

2.5 Advances and Loans. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder 's written consent, lend money , give credit or make advances to any person, firm, joint venture or corporation, including, without limitation , officers, directors, employees , subsidiaries and affiliates of the

Borrower, except loans, credits or advances (a) in existence or committed on the date hereof and which the Borrower has informed Holder in writing prior to the date hereof, (b) made in the ordinary course of business or (c) not in excess of $100,000.

ARTICLE III. EVENTS OF DEFAULT

If any of the following events of default (each, an "Event of Default") shall occur:

3.1 Failure to Pay Principal or Interest. The Borrower fails to pay the principal hereof or interest thereon when due on this Note, whether at maturity, upon acceleration or otherwise.

3.2 Conversion and the Shares. The Borrower fails to issue shares of Common Stock to the Holder (or announces or threatens in writing that it will not honor its obligation to do so) upon exercise by the Holder of the conversion rights of the Holder in accordance with the terms of this Note, fails to transfer or cause its transfer agent to transfer (issue) (electronically or in certificated form) any certificate for shares of Common Stock issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, the Borrower directs its transfer agent not to transfer or delays, impairs, and/or hinders its transfer agent in transferring (or issuing) (electronically or in certificated form) any certificate for shares of Common Stock to be issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, or fails to remove (or directs its transfer agent not to remove or impairs, delays, and/or hinders its transfer agent from removing) any restrictive legend (or to withdraw any stop transfer instructions in respect thereof) on any certificate for any shares of Common Stock issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note (or makes any written announcement, statement or threat that it does not intend to honor the obligations described in this paragraph) and any such failure shall continue uncured (or any written announcement, statement or threat not to honor its obligations shall not be rescinded in writing) for three (3) business days after the Holder shall have delivered a Notice of Conversion. It is an obligation of the Borrower to remain current in its obligations to its transfer agent. It shall be an event of default of this Note, if a conversion of this Note is delayed, hindered or frustrated due to a balance owed by the Borrower to its transfer agent. If at the option of the Holder, the Holder advances any funds to the Borrower's transfer agent in order to process a conversion, such advanced funds shall be paid by the Borrower to the Holder within forty eight (48) hours of a demand from the Holder.

3.3 Breach of Covenants. The Borrower breaches any material covenant or other material term or condition contained in this Note and any collateral documents including but not limited to the Purchase Agreement and such breach continues for a period of ten (10) days after written notice thereof to the Borrower from the Holder.

3.4 Breach of Representations and Warranties. Any representation or warranty of the Borrower made herein or in any agreement, statement or certificate given in writing pursuant hereto or in connection herewith (including, without limitation, the Purchase Agreement), shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note or the Purchase Agreement.

3.5 Receiver or Trustee. The Borrower or any subsidiary of the Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed.

3.6 Judgments. Any money judgment, writ or similar process shall be entered or filed against the Borrower or any subsidiary of the Borrower or any of its property or other assets for more than $50,000, and shall remain invocated, unbonded or unstayed for a period of twenty (20) days unless otherwise consented to by the Holder, which consent will not be unreasonably withheld.

3.7 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Borrower or any subsidiary of the Borrower.

3.8 Delisting of Common Stock. The Borrower shall fail to maintain the listing of the Common Stock on at least one of the OTCBB or an equivalent replacement exchange, the Nasdaq National Market, the Nasdaq Small Cap Market, the New York Stock Exchange, or the American Stock Exchange.

3.9 Failure to Comply with the Exchange Act. The Borrower shall fail to comply with the reporting requirements of the Exchange Act; and/or the Borrower shall cease to be subject to the reporting requirements of the Exchange Act.

3.10 Liquidation. Any dissolution, liquidation, or winding up of Borrower or any substantial portion of its business.

3.11 Cessation of Operations. Any cessation of operations by Borrower or Borrower admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Borrower's ability to continue as a "going concern" shall not be an admission that the Borrower cannot pay its debts as they become due.

3.12 Maintenance of Assets. The failure by Borrower to maintain any material intellectual property rights, personal, real property or other assets which are necessary to conduct its business (whether now or in the future).

3.13 Financial Statement Restatement. The restatement of any financial statements filed by the Borrower with the SEC for any date or period from two years prior to the Issue Date of this Note and until this Note is no longer outstanding, if the result of such restatement would, by comparison to the unrestated financial statement, have constituted a material adverse effect on the rights of the Holder with respect to this Note or the Purchase Agreement.

3.14 Reverse Splits. The Borrower effectuates a reverse split of its Common Stock without twenty (20) days prior written notice to the Holder.

3.15 Replacement of Transfer Agent. In the event that the Borrower proposes to replace its transfer agent, the Borrower fails to provide, prior to the effective date of such replacement, a fully executed irrevocable Transfer Agent instructions in a form as initially delivered pursuant to the Purchase Agreement (including but not limited to the provision to irrevocably reserve shares of Common Stock in the Reserved Amount) signed by the successor transfer agent to Borrower and the Borrower.

3.16 Cross-Default. Notwithstanding anything to the contrary contained in this Note or the other related or companion documents, a breach or default by the Borrower of any covenant or other term or condition contained in any of the Other Agreements, after the passage of all applicable notice and cure or grace periods, shall, at the option of the Holder, be considered a default under this Note and the Other Agreements, in which event the Holder shall be entitled (but in no event required) to apply all rights and remedies of the Holder under the terms of this Note and the Other Agreements by reason of a default under said Other Agreement or hereunder. "Other Agreements" means, collectively, all agreements and instruments between, among or by: (1) the Borrower, and, or for the benefit of, (2) the Holder and any affiliate of the Holder, including, without limitation, promissory notes; provided, however, the term "Other Agreements" shall not include the related or companion documents to this Note. Each of the loan transactions will be cross-defaulted with each other loan transaction and with all other existing and future debt of Borrower to the Holder.

Upon the occurrence and during the continuation of any Event of Default specified in Section 3.1 (solely with respect to failure to pay the principal hereof or interest thereon when due at the Maturity Date), the Note shall become immediately due and payable and the Borrower shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to the Default Sum (as defined herein). UPON THE OCCURRENCE AND DURING THE CONTINUATION OF ANY EVENT OF DEFAULT SPECIFIED IN SECTION 3.2, THE NOTE SHALL BECOME IMMEDIATELY DUE AND PAYABLE AND THE BORROWER SHALL PAY TO THE HOLDER, IN FULL SATISFACTION OF ITS OBLIGATIONS HEREUNDER, AN AMOUNT EQUAL TO: (Y) THE DEFAULT SUM (AS DEFINED HEREIN); MULTIPLIED BY (Z) TWO (2). Upon the occurrence and during the continuation of any Event of Default specified in Sections 3.1 (solely with respect to failure to pay the principal hereof or interest thereon when due on this Note upon a Trading Market Prepayment Eventpursuant to Section 1.7 or upon acceleration), 3.3, 3.4, 3.6, 3.8, 3.9, 3.11, 3.12, 3.13, 3.14, and/or 15 exercisable through the delivery of written notice to the Borrower by such Holders (the "Default Notice"), and upon the occurrence of an Event of Default specified the remaining sections of Articles UT (other than failure to pay the principal hereof or interest thereon at the Maturity Date specified in Section 3,1 hereof), the Note shall become immediately due and payable and the Borrower shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to the greater of (i) 150% times the sum of (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note to the date of

payment (the "Mandatory Prepayment Date") plus (y) Default Interest, if any, on the amounts referred to in clauses (w) and/or (x) plus (z) any amounts owed to the Holder pursuant to Sections 1.3 and 1.4(g) hereof (the then outstanding principal amount of this Note to the date of payment plus the amounts referred to in clauses (x), (y) and (z) shall collectively be known as the "Default Sum") or (ii) the "parity value" of the Default Sum to be prepaid, where parity value means (a) the highest number of shares of Common Stock issuable upon conversion of or otherwise pursuant to such Default Sum in accordance with Article 1, treating the Trading Day immediately preceding the Mandatory Prepayment Date as the "Conversion Date" for purposes of determining the lowest applicable Conversion Price, unless the Default Event arises as a result of a breach in respect of a specific Conversion Date in which case such Conversion Date shall be the Conversion Date), multiplied by (b) the highest Closing Price for the Common Stock during the period beginning on the date of first occurrence of the Event of Default and ending one day prior to the Mandatory Prepayment Date (the "Default Amount") and all other amounts payable hereunder shall immediately become due and payable, all without demand, presentment or notice, all of which hereby are expressly waived, together with all costs, including, without limitation, legal fees and expenses, of collection, and the Holder shall be entitled to exercise all other rights and remedies available at law or in equity.

If the Borrower fails to pay the Default Amount within five (5) business days of written notice that such amount is due and payable, then the Holder shall have the right at any time, so long as the Borrower remains in default (and so long and to the extent that there are sufficient authorized shares), to require the Borrower, upon written notice, to immediately issue, in lieu of the Default Amount, the number of shares of Common Stock of the Borrower equal to the Default Amount divided by the Conversion Price then in effect.

ARTICLE IV. MISCELLANEOUS

4.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privileges. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

4.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during

normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Borrower, to:
LAS V EGAS RAILWAY EXPRESS, INC.
6650 Via Austi Parkway - Suite 140
Las Vegas, NY 891 1 9
Attn: MICHAEL BARRON, Chief Executive Officer

With a copy by fax only to (which copy shall not constitute notice):
[enter name of law firm]
Attn: [attorney name] [enter address line 1] [enter city, state, zip]
Facsimile: [enter fax number]

If to the Holder:
KBM WORLDWIDE, INC.
80 Cuttermill Road – Suite 4I O
Great Neck, NY 1 1021
Attn: Seth Kramer, President
E-mail: info@kbmworl dwide.com

With a copy by fax only to (which copy shall not constitute notice):
Naidich Wurman Birnbaum & Maday, LLP
Attn: Bernard S. Feldman, Esq.
facsimile le: 516-466-3555
E-mail: dyork@nwbmlaw.com

4.3 Amendments. This Note and any provision hereof may only be amended by an instrument in writing signed by the Borrower and the Holder. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument (and the other Notes issued pursuant to the Purchase Agreement) as originally executed, or if later amended or supplemented, then as so amended or supplemented.

4.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Each transferee of this Note must be an "accredited investor" (as defined in Rule 501 (a) of the 1933 Act). Notwithstanding anything in this Note to the contrary, this Note may bepledged as col lateral in connection with a bona fide margin account or other lending arrangement.

4.5 Cost of Collection. If default is made in the payment of this Note, the Borrower shall pay the Holder hereof costs of collection, including reasonable attorneys' fees.

4.6 Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the state courts of New York or in the federal courts located in the state and county of Nassau. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. The Borrower and Holder waive trial by jury. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Note or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement or any other Transaction Document by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

4.7 Certain Amounts. Whenever pursuant to this Note the Borrower is required to pay an amount in excess of the outstanding principal amount (or the portion thereof required to be paid at that time) plus accrued and unpaid interest plus Default Interest on such interest, the Borrower and the Holder agree that the actual damages to the Holder from the receipt of cash payment on this Note may be difficult to determine and the amount to be so paid by the Borrower represents stipulated damages and not a penalty and is intended to compensate the Holder in part for loss of the opportunity to convert this Note and to earn a return from the sale of shares of Common Stock acquired upon conversion of this Note at a price in excess of the price paid for such shares pursuant to this Note. The Borrower and the Holder hereby agree that such amount of stipulated damages is not plainly disproportionate to the possible loss to the Holder from the receipt of a cash payment without the opportunity to convert this Note into shares of Common Stock.

4.8 Purchase Agreement. By its acceptance of this Note, each party agrees to be bound by the applicable terms of the Purchase Agreement.

4.9 Notice of Corporate Events. Except as otherwise provided below, the Holder of this Note shall have no rights as a Holder of Common Stock unless and only to the extent that it converts this Note into Common Stock. The Borrower shall provide the Holder with prior notification of any meeting of the Borrower's shareholders (and copies of proxy materials and other information sent to shareholders). In the event of any taking

by the Borrower of a record of its shareholders for the purpose of determining shareholders who are entitled to receive payment of any dividend or other distribution, any right to subscribe for, purchase or otherwise acquire (including by way of merger, consolidation, reclassification or recapitalization) any share of any class or any other securities or property, or to receive any other right, or for the purpose of determining shareholders who are entitled to vote in connection with any proposed sale, lease or conveyance of all or substantially all of the assets of the Borrower or any proposed liquidation,dissolution or winding up of the Borrower, the Borrower shall mail a notice to the Holder, at least twenty (20) days prior to the record date specified therein (or thirty (30) days prior to the consummation of the transaction or event, whichever is earlier), of the date on which any such record is to be taken for the purpose of such dividend, distribution, right or other event, and a brief statement regarding the amount and character of such dividend , distribution, right or other event to the extent known at such time. The Borrower shall make a public announcement of any event requiring notification to the Holder hereunder substantially simultaneously with the notification to the Holder in accordance with the terms of this Section 4.9.

4.10 Remedies. The Borrower acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder, by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Borrower acknowledges that the remedy at law for a breach of its obligations under this Note will be inadequate and agrees, in the event of a breach or threatened breach by the Borrower of the provisions of this Note, that the Holder shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Note and to enforce specifically the terms and provisions thereof, without the necessity of showing economic loss and without any bond or other security being required.

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer this March 19, 2014.

LAS VEGAS RAIWAY EXPRESS, INC.

By: Michael Barron

Chief Executive Officer

EXHIBIT A -- NOTICE OF CONVERSION

The undersigned hereby elects to convert $_____ principal amount of the Note (defined below) into that number of shares of Common Stock to be issued pursuant to the conversion of the Note ("Common Stock") as set forth below, of LAS VEGAS RAILWAY EXPRESS, INC., a Delaware corporation (the "Borrower") according to the conditions of the convertible note of the Borrower dated as of March 19, 2014 (the "Note"), as of the date written below. No fee will be charged to the Holder for any conversion, except for transfer taxes, if any. Box Checked as to applicable instructions:

[ ] The Borrower shall electronically transmit the Common Stock issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee with DTC through its Deposit Withdrawal Agent Commission system ("DWAC Transfer").

Name of OTC Prime Broker:
Account Number:

[ ] The undersigned hereby requests that the Borrower issue a certificate or certificates for the number of shares of Common Stock set forth below (which numbers are based on the Holder 's calculation attached hereto) in the name(s) specified immediately below or, if additional space is necessary , on an attachment hereto:

KBM WORLDWIDE, INC.
80 Cuttermill Road - Suite 410
Great Neck, NY 11021
Attention: Certificate Delivery
E-mail: info@kbmworld wide.com

Date of Conversion: _____
Applicable Conversion Price: $_____
Number of Shares of Common Stock to be Issued
Pursuant to Conversion of the Notes: _____
Amount of Principal Balance Due remaining
Under the Note after this conversion: _____

KBM WORLDWIDE, INC.

By:_____
Name: Seth Kramer
Title: President
Date: _____

Exhibit 10.23

NEITHER THESE SECURITIES NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDI NGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PU RSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THESE SECURITIES AND THE SECURITIES ISSUABLE UPON CONVERSION OF THESE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Date of Issuance: 5/2/ 14

$250,000

10% CONVERTIBLE DEBENTU RE
DUE 11/2/14

TH IS DEBENTU RE is a duly authorized and issued 10% Convertible Debenture of Las Vegas Railway Express, Inc., having a principal place of business at 6650 Via Austi Parkway Suite 140 Las Vegas, N V 891 I 9 (the "Company"), due 1 1/2/ 14 (the "Debenture").

FOR VALU E RECEIVED, the Company promises to pay to REDWOOD MANAGEMENT , LLC or its registered assigns (the "Holder"), the principal sum of $250,000 plus interest on 1 1/2/ 14 or such earlier date as the Debentures are required or permitted to be repaid as provided hereunder (the "Maturity Date"), and to pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Debenture at the rate of (l 0%) Ten percent guaranteed interest payable regardless of how long the debenture remains outstanding, unless the Debenture is converted to shares of common stock in accordance with the terms and conditions herein.

The Holder will pay $83,333.33 upon execution ; $83,333.33 one month after execution; $83,333.33 two months after execution.

THE COMPANY MAY PREPA Y ANY PORTION OF THE PRINCIPA L AMOUNT AT 130% OF SUCH AMOUNT ALONG WITH ANY ACCRU ED INTEREST OF TH IS DEBENTURE AT ANY TIME UPON SEVEN DAYS WRITTEN NOTICE TO THE HOLDER

This Debenture is subject to the following additional provisions:

Section 1. DENOMINATIONS. This Debenture is exchangeable for an equal aggregate principal amount of Debentures of different authorized denominations, as requested by the Holder surrendering the same. No service charge will be made for such registration of transfer or exchange.

Section 2.TRANSFER. This Debenture may be transferred or exchanged only in compliance with applicable federal and state securities laws and regulations. Prior to due presentment to the Company for transfer of this Debenture, the Company and any agent of the Company may treat the Person in whose name this Debenture is duly registered on the Debenture Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Debenture is overdue, and neither the Company nor any such agent shall be affected by notice to the contrary.

Section 3. EVENTS OF DEFAU LT.

(a) "Event of Default", wherever used herein, means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment , decree or order of any court, or any order, rule or regulation of any administrative or governmental bod y):

(i) any default in the payment of the principal of, interest (including Late Fees) on, or liquidated damages in respect to this Debenture, free of any claim of subordination , as and when the same shall become due and payable (whether on a Conversion Date or the Maturity Date or by acceleration or otherwise) which default is not cured, if possible to cure, within 3 days of notice of such default sent by the Holder;

(ii) the Company or any of its subsidiaries shall commence, or there shall be commenced against the Company or any such subsidiary a case under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any successor thereto, or the Company commences any other proceeding under any reorganization , arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Company or any subsidiary thereof or there is commenced against the Company or any subsidiary thereof any such bankruptcy , insolvency or other proceeding which remains undismissed for a period of 60 days; or the Company or any subsidiary thereof is adjudicated insolvent or bankrupt ; or any order of relief or other order approving any such case or proceeding is entered; or the Company or any subsidiary thereof suffers any appointment of any custodian or the like for it or any substantial part of its property which continues undischarged or unstayed for a period of 60 days; or the Company or any subsidiary thereof makes a general assignment for the benefit of creditors ; or the Company shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or the Company or any subsidiary thereof shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or the Company or any subsidiary thereof shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or any corporate or other action is taken by the Company or any subsidiary thereof for the purpose of effecting any of the foregoing; or

(iii) the Company shall fail to timely file all reports required to be filed by it with the SEC pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise required by the Exchange Act.

(iv) the material breach of any promise or representation in this Agreement and or related representation or agreement made by the COMPANY and or any of its officers, which shall include, without limitation, the failure to deliver shares of common stock due HOLDER on a conversion within three Business Days from the date of conversion or sooner, which delivery must be otherwise made per reasonable specifications of the HOLDER (e.g. to brokerage firm account).

If the COMPANY fails to perform hereunder by delivering Shares or paying Principal and or Interest within 3 Business Days of said being due, then for the first up to 30 calendar days from the due date of said performance, the COMPANY shall also owe payable immediately an amount equal to $1,000 per day as a reasonable "Late Fee" in addition to any other damages and reasonable attorney fees and costs payable, to cover, on a non-accountable basis, the time, expense, efforts and or distress of the HOLDER having to focus its management, advisors, and counselors on the matter of the COMPANY failing to honor its written obligations, and said figure is deemed a reasonable liquidated damages provision and is not an election of remedy and is nonexclusive so the HOLDER can add and pursue all rights otherwise .

(b) If any Event of Default occurs and is continuing, the full principal amount of this Debenture , together with interest and other amounts owing in respect thereof, to the date of acceleration shall become at the Holder's election, immediately due and payable in cash.. The Holder need not provide and the Company hereby waives any presentment , demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its lights and remedies hereunder and all other remedies available to it under applicable law. Such declaration may be rescinded and annulled by Holder at any time prior to payment hereunder and the Holder shall have all rights as a Debenture holder until such time, if any, as the full payment under this Section shall have been received by it. No such rescission or annulment shall affect any subsequent Event of Default or impair any rightconsequent thereon.

(c) It is hereby agreed that in the event any Installment Payment noted above is not paid by Bank transfer within 15 days of any Due Date, for any reason, then at the option of the Company this agreement may be cancelled and sent to Redwood Management LLC in writing toreflect the amount actually paid to date of cancellation. Upon cancellation made under this agreement, the Debenture will adjust to reflect monies actually paid. Upon cancellation holder isreleased from any liability.

Section 4. Conversion.

(a) (i) Holder's Conversion Right. At any time after the Original Issue Date until this Debenture is no longer outstanding, this Debenture, including interest and principal, shall be convertible into shares of Common Stock at a price of Forty Five Percent (45%) of the lowest traded price, determined on the then current trading market for the Company's common stock, for 20 trading days prior to conversion (the "Set Price") at the option of the Holder, in whole at any time and from time to time. The Holder shall effect conversions by

delivering to the Company the form of Notice of Conversion attached hereto as Exhibit B ("Notice of Conversion"), specifying the date on which such conversion is to be effected (a "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is provided hereunder. To effect conversions hereunder, the Holder shall not be required to physically surrender Debentures to the Company. The Company shall deliver any objection to any Notice of Conversion within TWO (2) Business Days of receipt of such notice. In the event of any dispute or discrepancy, the records of the Holder shall be controlling and determinative in the absence of manifest error. If the Company does not request the issuance of the shares underlying this Debenture after receipt of a Notice of Conversion within TWO (2) Business days following the period allowed for any objection, the Company shall be responsible for any differential in the value of the converted shares underlying this Debenture between the value of the closing price on the date the shares should have been delivered and the date the shares are delivered. In addition, if the COMPANY fails to timely (within 72 hours, 3 business days), deliver the shares per the instructions of the HOLDER, free and clear of all legends in legal free trading form, the COMPANY shall allow HOLDER to add two (2) days to the lookback (the mechanism used to obtain the conversion price along with discount) for each day the COMPANY fails to timely (within 72 hours, 3 business days)) deliver shares, on the next conversion.

The Holder and any assignee, by acceptance of this Debenture, acknowledge and agree that, by reason of the provisions of this paragraph , following conversion of a portion of this Debenture, the unpaid and unconverted principal amount of this Debenture may be less than the amount stated on the face hereof. Any Opinion Letter required to effectuate the issuance of the shares pursuant to this Paragraph 4(a) and the Notice of Conversion shall be provided and issued by Company. The Holder may use another attorney in its sole discretion for the opinion. The parties hereby agree that the company will cover all legal costs associated with the issuance of the Opinion Letter to the Transfer Agent.

(ii) If the Company, at any time while this Debenture is outstanding: (A) shall pay a stock dividend or otherwise make a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company pursuant to this Debenture, including as interest thereon), (B) subdivide outstanding shares of Common Stock into a larger number of shares, (C) combine (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (0) issue by reclassification of shares of the Common Stock any shares of capital stock of the Company, then the Set Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding before such event and of which the denominator shall be the number of shares of Common Stock outstanding after such event. Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(iii) Whenever the Set Price is adjusted pursuant to any of Section 4, the Company shall promptly mail to each Holder a notice setting forth the Set Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(iv) If (A) the Company shall declare a dividend (or any other distribution) on the Common Stock; (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock; (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights; (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, of any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property; (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company; then, in each case, the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of the Debentures , and shall cause to be mailed to the Holders at their last addresses as they shall appear upon the stock books of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend , distribution , redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend , distributions, redemption , rights or wan-ants are to be determined or (y) the date on which such reclassification , consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification , consolidation , merger, sale, transfer or share exchange; provided, that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. Holders are entitled to convert Debentures during the 20-day period commencing the date of such notice to the effective date of the event triggering such notice.

(v) If, at any time while this Debenture is outstanding, (A) the Company effects any merger or consolidation of the Company with or into another Person, (B) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (C) any tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (D) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (in any such case, a "Fundamental Transaction"), then upon any subsequent conversion of this Debenture, the Holder shall have the right to receive, for each Underlying Share that would have been issuable upon such conversion absent such Fundamental Transaction , the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been , immediately prior to such Fundamental Transaction , the holder of one share of Common Stock (the "Alternate Consideration"). For purposes of any such conversion, the determination of the Set Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Set Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock

are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate consideration it receives upon any conversion of this Debenture following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Company or surviving entity in such Fundamental Transaction shall issue to the Holder a new debenture consistent with the foregoing provisions and evidencing the Holder's right to convert such debenture into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is affected shall include terms requiting any such successor or surviving entity to comply with the provisions of this paragraph and insuring that this Debenture (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction. If any Fundamental Transaction constitutes or results in a Change of Control Transaction, then at the request of the Holder delivered before the 90 day after such Fundamental Transaction, the Company (or any such successor or surviving entity) will purchase the Debenture from the Holder for a purchase price, payable in cash within 10 Trading Days after such request (or, if later, on the effective date of the Fundamental Transaction), equal to the 130% of the remaining unconverted principal amount of this Debenture on the date of such request, plus all accrued and unpaid interest thereon, plus all other accrued and unpaid amounts due hereunder.

(b) The Company covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock solely for the purpose of issuance upon conversion of this Debenture. See attached EXHIBIT A (In-evocable TA Letter)

(c) Any and all notices or other communications or delive1ies to be provided by the Holders hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by facsimile, sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth or such other address or facsimile number as the Company may specify for such purposes by notice to the Holders delivered in accordance with this Section. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile, sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile telephone number or address of such Holder appearing on the books of the Company, or if no such facsimile telephone number or address appears, at the principal place of business of the Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified in this Section prior to 5:30 p.m. (New York City time), (ii) the date after the date of transmission , if such notice or communication is delivered via facsimile at the facsimile telephone number specified in this Section later than 5:30 p.m. (New York City time) on any date and earlier than 1 1 :59 p.m. (New York City time) on such date, (iii) the second Business Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

(d) Notwithstanding anything to the contrary herein contained , the Holder may not convert this Debenture to the extent such conversion would result in the Holder, together with any affiliate thereof, beneficially owning (as determined in accordance with Section l 3(d) of the

Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules promulgated thereunder) in excess of 9.99% of the then issued and outstanding shares of Common Stock, including shares issuable upon such conversion and held by the Holder after application of this section. The provisions of this section may be waived by the Holder (but only as to itself and not to any other Holder) upon not Jess than 61 days prior notice to the Company. Other Holders shallbe unaffected by any such waiver.

Section 5. Definitions. For the purposes hereof, in addition to the terms defined elsewhere in this Debenture: (a) capitalized terms not otherwise defined herein have the meanings given to such terms in the Purchase Agreement, and (b) the following terms shall have the following meanings:

"Business Day" means any day except Saturday, Sunday and any day which shall be a federal legal holiday in the United States or a day on which banking institutions in the State of New York are authorized or required by law or other government action to close.

"Common Stock" means the common stock of the Company and stock of any other class into which such shares may hereafter have been reclassified or changed.

"Person" means a corporation, an association , a partnership , organization, a business, an individual , a government or political subdivision thereof or a governmental agency.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Set Price" shall have the meaning set forth in Section 4.

Section 6. Except as expressly provided herein, no provision of this Debenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, interest and liquidated damages (if any) on, this Debenture at the time, place, and rate, and in the coin or currency, herein prescribed. This Debenture is a direct debt obligation of the Company. This Debenture ranks pari passu with all other Debentures now or hereafter issued under the terms set forth herein. As long as this Debenture is outstanding, the Company shall not and shall cause it subsidiaries not to, without the consent of the Holder, (a) amend its certificate of incorporation , bylaws or other charter documents so as to adversely affect any rights of the Holder; (b) repay, repurchase or offer to repay, repurchase or otherwise acquire more than a de minimis number of shares of its Common Stock or other equity securities other than as to the Underlying Shares to the extent permitted or required under the Transaction Documents or as otherwise permitted by the Transaction Documents ; or (c) enter into any agreement with respect to any of the foregoing.

Section 7. If this Debenture shall be mutilated , lost, stolen or destroyed , the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Debenture , or in lieu of or in substitution for a lost, stolen or destroyed Debenture, a new Debenture for the principal amount of this Debenture so mutilated , lost, stolen or destroyed but

Only upon receipt of evidence of such loss, theft or destruction of such Debenture, and of the ownership hereof, and indemnity, if requested,all reasonably satisfactory to the Company.

Section 8. So long as any portion of this Debenture is outstanding, the Company will not and will not permit any of its subsidiaries to, directly or indirectly, enter into, create, incur, assume or suffer to exist any indebtedness of any kind, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom that is senior in any respect to the Company's obligations under the Debentures without the prior consent of the Holder, which consent shall not be unreasonably withheld.

Section 9. All questions concerning the construction, validity, enforcement and interpretation of this Debenture shall be governed by and construed and enforced in accordance with the internal laws of the State of Florida, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting i n Broward County (the "Florida Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Florida Courts for the adjudication of any dispute hereunder or i n connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents) , and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding , any claim that it is not personally subject to the jurisdiction of any such court, or such Florida Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Debenture and agrees that such Service s h a l l constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent pem1itted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Debenture or the transactions contemplated hereby. If either party shall commence an action or proceeding to enforce any provisions of this Debenture, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorney's fees and other costs and expenses incurred
With the investigation, preparation and prosecution of such action or proceeding.

Section l0. Any waiver by the Company or the Holder of a breach of any provision of this Debenture shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Debenture. The failure of the Company or the Holder to insist upon strict adherence to any term of this Debenture on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Debenture. Any waiver must be in writing.

Section 1 1. If any provision of this Debenture is invalid, illegal or unenforceable, the balance of this Debenture shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances. If it shall be found that any interest or other amount deemed interest d u e hereunder violates applicable laws governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum permitted rate of interest. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead , or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the principal of or interest on the Debentures as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this indenture, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impeded the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

Section 12. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

IN WITNESS WHEREOF, the Company has caused this Convertible Debenture to be duly executed by a duly authorized officer as of the date first above indicated.

By: Michael Barron

CEO

Exhibit B

NOTICE OF CONVERSION

The undersigned hereby elects to convert principal under the 10% Convertible Debenture of Las Vegas Railway Express, Inc., (the "Company"), due on 1 l/2/ 14, into _____ shares of common stock, $.00 I par value per share (the "Common Stock"), of the Company according to the conditions hereof, as of the date written below. If shares are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the holder for any conversion, except for such transfer taxes, if any.

By the delivery of this Notice of Conversion the undersigned represents and warrants to the Company that its ownership of the Company's Common Stock does not exceed the amounts determined in accordance with Section 13(d) of the Exchange Act, specified under Section 4 of this Debenture.

Conversion calculations:

Date to Effect Conversion:_ _ _ _ _ _ _ _

45% of the lowest traded price for 20 trading days prior to conversion or:
Adjusted as per agreement for delayed delivery of previous conversion (lookback only)

_____

Principal Amount of Debentures to be converted:

_____

Interest Amount of Debentures to be converted

_____

Number of shares of Common Stock to be issued:

_____

Signature: _____ _____ _____ _Manager

Redwood Management LLC
16850 Collins Ave # 112-341
Sunny Isles Beach Florida 33160

Exhibit C

Resolution approved by the Board of Directors of Las Vegas Railway Express, Inc.

UNANIMOUS CONSENT IN LIEU OF A SPECIAL MEETING OF DIRECTORS OF

Las Vegas Railway Express, Inc.

The undersigned, being all of the directors of Las Vegas Railway Express, Inc., a corporation of the State of Delaware, {the "Corporation"), do hereby authorize and approve the actions set forth in the following resolutions without the formally of convening a meeting, and do hereby consent to the following actions of this Corporation, which actions are hereby deemed affective as of the date hereof:

RESOLVED: that the officers of this Corporation are authorized and directed to enter into a Convertible Debenture in the amount of $250, 000 plus interest with Redwood Management, LLC, dated 5/2/14 which allows conversions at a 55% discount tomarket for such notes as well as (10%) Ten percent guaranteed interest, should be payable regardless of how long the debenture remains outstanding and come due o n 11/2/14

RESOLVED: that the officers of this Corporation herby certify this corporation has never been a blank check shell; and

FURTHER RESOLVED, that each of the officers of the Corporation be, and they hereby are authorized and empowered to execute and deliver such documents, instruments and papers and to take any and all other action as they or any of them may deem necessary or appropriate of the purpose of carrying out the intent of the foregoing resolutions and the transact ions contemplated thereby; and that the authority of such officers to execute and deliver any such documents , instruments and papers and to take any such other action shall be conclusively evidenced by their execution and delivery thereof or their taking thereof.

The undersigned, by affixing their signatures hereto, do hereby consent to, authorize and approve the foregoing actions in their capacity as a majority of the direction of Las Vegas Railway Express, Inc.

Dated: 5/2/14

_____ _____

_____ _____

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES – OXLEY ACT OF 2002

I, Michael A. Barron, certify that:

1. I have reviewed this quarterly report on Form 10-K of Las Vegas Railway Express, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 13, 2015

/s/ Michael A. Barron

Michael A. Barron
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL ACCOUNTING OFFICER PURSUANT TO SECTION 302 OF THE SARBANES – OXLEY ACT OF 2002

I, Wanda Witoslawski, certify that:

1. I have reviewed this quarterly report on Form 10-K of Las Vegas Railway Express, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 13, 2015

/s/ Wanda Witoslawski

Wanda Witoslawski
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. Sec. 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Yearly Report of Las Vegas Railway Express, Inc. (the "Company") on Form 10-K for the year ended March 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael A. Barron, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael A. Barron
Michael A. Barron
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. Sec. 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Yearly Report of Las Vegas Railway Express, Inc. (the "Company") on Form 10-K for the year ended March 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Wanda Witoslawski, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Wanda Witoslawski
Wanda Witoslawski
Chief Financial Officer