

This document prepared by
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RICHARD T. MAUGHAN
DAVIS COUNTY, UTAH RECORDER
10/19/2009 11:49 AM
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DEF RT REC'D FOR RED BRIDGE CAPITAL LLC

13-077-0113

**FIRST AMENDMENT TO DEED OF TRUST,
ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND
FIXTURE FILING**

THIS FIRST AMENDMENT TO DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "*Amendment*") is made as of October 9, 2009, by LEX C. MCCORMICK, an individual, and BEVERLY E. MCCORMICK, an individual, whose joint mailing address is 2161 North 175 West, Clearfield, Utah 84015 (collectively, "*Trustor*"), MOUNTAIN VIEW TITLE & ESCROW COMPANY ("*Trustee*"), whose mailing address is 930 East Chambers St., Suite 3, South Ogden, Utah 84403, for the benefit of RED BRIDGE CAPITAL, LLC, a Utah limited liability company, its successors and assigns ("*Beneficiary*") whose mailing address is 6440 S. Wasatch Blvd. Suite 200, Salt Lake City, Utah 84121.

RECITALS:

A. Beneficiary has previously extended to CAMPUS BOOK RENTALS, L.L.C., a Utah limited liability company ("*Borrower*"), a term loan in the original principal amount of SEVEN HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$750,000.00) (the "*Loan*") pursuant to that certain Term Loan Agreement, dated July 31, 2009 (as amended and modified from time to time, the "*Loan Agreement*"), and evidenced by that certain Promissory Note, also dated July 31, 2009 (as amended and modified from time to time, the "*Note*"). Capitalized terms used in this Agreement and not otherwise defined in this Amendment shall have the meanings given to such terms in the Loan Agreement.

B. The Loan is secured by, among other things, a Deed of Trust Assignment of Rents, Security Agreement, and Fixture Filing from Trustor, as trustor, and in favor of the trustee named therein for the benefit of Beneficiary, as beneficiary, dated July 31, 2009 (the "*Deed of Trust*"), which encumbers certain real property more specifically described in Exhibit A hereto (the "*Property*" and together with the improvements located thereon, the "*Project*"). The Deed of Trust was recorded on August 10, 2009 as Document No. 2473927 in Book 4835, beginning on Page 375 in Davis County, Utah.

C. Trustor has now requested that Beneficiary agree to modify the Loan Documents to, among other things, increase the Loan Amount by Five Hundred Thousand and No/100 Dollars (\$500,000.00) from Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00) to One Million Two Hundred Fifty Thousand and No/100 Dollars (\$1,250,000.00) and provide for a reduction in the amount of the outstanding obligations under the Loan Documents secured by the Project upon the satisfaction of certain terms and conditions. Beneficiary is willing to so modify the Deed of Trust and other Loan Documents, subject to certain the terms and conditions.

AGREEMENT:

NOW THEREFORE, in consideration of the covenants contained herein, and the covenants and agreements contained in the Amendment, and other good and valuable consideration, the parties hereto amend and modify the Deed of Trust as follows:

1. **Recitals.** Trustor hereby acknowledges the accuracy of the Recitals which are incorporated herein by reference.

2. **Amendments to Deed of Trust.**

(a) Increased Loan Amount. The definition of "Loan" found on Page 3 of the Deed of Trust is hereby amended to increase the amount of the "Loan" to **ONE MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$1,250,000.00)**. The definition of "Obligations" also found on Page 3 of the Deed of Trust shall include the amended definition of "Loan" together with all other items, as set forth in the original recorded Deed of Trust.

(b) Reduction in Maximum Amount Secured. The following is hereby added to the Deed of Trust as **Section 7.21**:

"7.21 Reduction in Maximum Amount Secured.

(a) Reduction. Notwithstanding any language of this Deed of Trust, Trustor's obligations hereunder with respect to the repayment of principal of the Loan shall not at any time exceed the applicable Principal Obligation Amount. The applicable Principal Obligation Amount shall be reduced as provided in this **Section 7.21**. Beneficiary will determine whether the conditions for reduction of the Principal Obligation Amount have been satisfied or not, in each instance within thirty (30) calendar days of Trustor's written request. Beneficiary will provide such determination in writing. Such determination by Beneficiary shall be conclusive and binding in the absence of manifest error. No such reduction shall be effective unless (a) there is no Default or Event of Default existing on the Determination Date, (b) the Reduction Conditions shall have been satisfied, and (c) Beneficiary and Borrower shall have given written confirmation of such reduction to Trustor. Before any reduction of the Principal Obligation Amount as provided herein, Trustor shall remain liable for, and the Obligations shall include, the punctual payment of all interest, including any interest accruing at any specified default or past due rate, whether accruing before or after maturity or default, and also including interest accruing after the commencement of any bankruptcy or insolvency proceeding by or against Borrower, whether or not allowed in such proceeding, until the Obligations are paid and satisfied in full. Without limitation of the foregoing, Trustor shall remain liable for after the satisfaction of the Reduction Condition, and the Obligations shall include, the punctual payment of all interest, prepayment premiums, fees, late charges, costs, expenses and indemnification indebtedness which may now or hereafter be due or owing, or which Borrower is obligated to pay, pursuant to any document, instrument or agreement evidencing or governing the Loan, until the Loan and all other Obligations are paid and satisfied in full. No obligations of Trustor under this Deed of Trust shall be limited in any manner except as specifically provided in this **Section 7.21**. In addition, notwithstanding anything herein to the contrary, Trustor shall remain fully liable for, in addition to its obligations under **Sections 7.21(a)(1) and (2)** hereof, all claims, demands, liabilities,

losses, damages, judgments, penalties, costs and expenses, including, without limitation, reasonable attorney's fees and disbursements (collectively, "*Damages and Expenses*"), which may be imposed upon, asserted against or incurred or paid by Beneficiary by reason of, on account of or in connection with, any of the following:

(1) all Damages and Expenses incurred by Beneficiary due to any of the following: (i) any security deposits of tenants of the Property (not previously applied to remedy tenant defaults) which have not been paid over to Beneficiary; (ii) any rents prepaid by any tenant of the Property more than one (1) month in advance; (iii) any insurance proceeds or condemnation awards received by Borrower or Trustor and not applied according to the terms of the Deed of Trust; (iv) accepting Lease termination payments without Beneficiary's prior written consent and direction as to use; (v) repairs to the Property resulting from a casualty not reimbursed by insurance, to the extent insurance coverage for such repairs was required by this Deed of Trust, the Loan Agreement, Note, or other document executed in connection with or evidencing the Loan (collectively, the "*Loan Documents*"); (vi) fraud, material misrepresentation or bad faith on the part of Borrower or Trustor; (vii) any event or circumstance for which Borrower or Trustor is obligated to indemnify Beneficiary; (viii) waste of the Property by Borrower or Trustor; (ix) Borrower's or Trustor's failure to pay real estate taxes or other assessments against the Property; or (x) Borrower's or Trustor's failure to comply with the Americans with Disabilities Act of 1990, as amended, or any other Laws; and

(2) all rents, issues and profits from the Property collected by Borrower or Trustor after an Event of Default has occurred and is continuing or after an event or circumstance has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute an Event of Default, unless such rents, issues and profits are applied to the normal operating expenses of the Property or to the debt secured by the Deed of Trust.

(b) Reinstatement. Notwithstanding any language of this Deed of Trust, the agreement of Beneficiary to limit its recovery against Trustor shall be null and void and shall be of no force or effect whatsoever if the Property or any part thereof becomes an asset in (i) a voluntary bankruptcy or insolvency proceeding, or (ii) an involuntary bankruptcy or insolvency proceeding in which Borrower or Trustor objects to a motion by Beneficiary for relief from any stay or injunction from the foreclosure of the Deed of Trust or any other remedial action permitted under the Loan Documents.

(c) The "Reduction Condition" shall be satisfied upon Borrower's payment to Beneficiary by no later than February 28, 2010 of principal in the amount of Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00), accrued but unpaid interest as of February 28, 2010, and all other amounts accrued as of February 28, 2010 under the provisions of the Note or the other Loan Documents.

(d) The "Principal Obligation Amount" is hereby defined to mean:

(1) during the period before the Reduction Condition has been satisfied **\$1,250,000.00**; and

(2) during the period after the Reduction Condition has been satisfied, the outstanding principal balance of the Loan up to **\$200,000.00**.

(e) Any capitalized term used and not defined in this **Section 7.21** shall have the meaning given to such term in the Loan Agreement. In addition, unless the context otherwise specifies or requires, the following terms shall have the meanings herein specified:

“**Determination Date**” means any date as of which Beneficiary makes a determination regarding Borrower’s satisfaction or failure to satisfy the requirements of the Reduction Condition.”

3. **Beneficiary.** Trustor and Beneficiary acknowledge and agree that the original Deed of Trust inadvertently referred to the beneficiary as “Red Bridge Capital Fund, LLC” instead of “Red Bridge Capital, LLC.” Accordingly, the Deed of Trust is hereby amended to correctly refer to the beneficiary under the Deed of Trust as “Red Bridge Capital, LLC, a Utah limited liability company.”

4. **Conforming Modifications.** Each of the Loan Documents is modified to be consistent herewith and to provide that it shall be a default or an Event of Default thereunder if Trustor shall fail to comply with any of the covenants herein.

5. **References.** Each reference in the Loan Documents to any of the Loan Documents shall be a reference to such document as modified herein.

6. **Ratification of Deed of Trust.** As amended by this Amendment, the Deed of Trust is ratified and confirmed and continue in full force and effect. The Deed of Trust, as modified herein, shall be binding upon and inure to the benefit of Trustor and Beneficiary, and their respective successors and assigns.

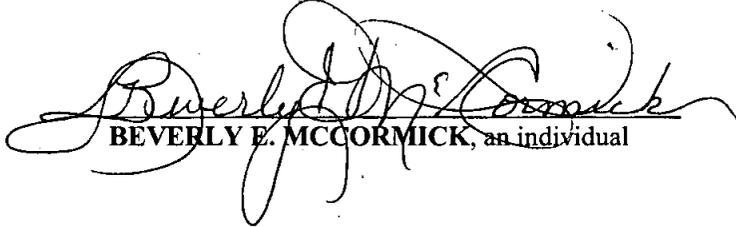
7. **Governing Law.** The validity of this Amendment and the construction, interpretation, and enforcement hereof, and the rights of the parties hereto with respect to all matters arising hereunder or related hereto, shall be determined under, governed by, and construed in accordance with the laws of the State of Utah without giving effect to conflict of laws principles (regardless of the location, residence, domicile or place of business of Trustor or any constituent principal thereof or the location of any collateral).

8. **Counterparts.** This Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Amendment to physically form one document.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Trustor has executed this Amendment as of the date first above written.

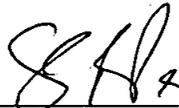
Trustor: 
LEX C. MCCORMICK, an individual

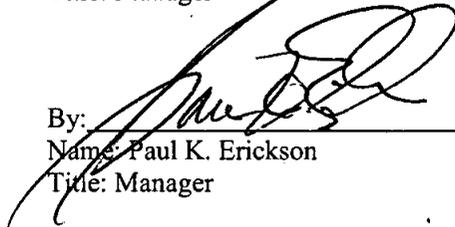

BEVERLY E. MCCORMICK, an individual

Beneficiary:

RED BRIDGE CAPITAL, LLC,
a Utah limited liability company

By: **CHEROKEE & WALKER MANAGEMENT, LLC,**
a Utah limited liability company, its manager

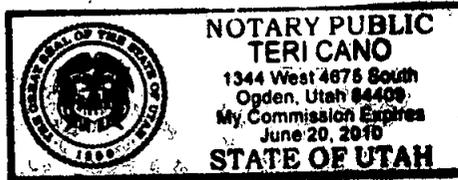
By: 
Name: Shane R. Peery
Title: Manager

By: 
Name: Paul K. Erickson
Title: Manager

STATE OF Utah)
County of Weber) : ss.

The foregoing instrument was acknowledged before me this 9 day of October, 2009, by **LEX C. MCCORMICK**, an individual.

Teri Cano
NOTARY PUBLIC



STATE OF Utah)
County of Weber) : ss.

The foregoing instrument was acknowledged before me this 9 day of October, 2009, by **BEVERLY E. MCCORMICK**, an individual.

Teri Cano
NOTARY PUBLIC

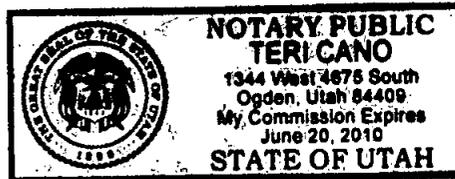


EXHIBIT A
Description of Premises

That certain real property owned by Trustor and situated in Davis County, State of Utah and described as follows:

BEGINNING 65 RODS SOUTH AND 50 FEET WEST OF THE NORTHEAST CORNER OF SECTION 26, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE MERIDIAN, U.S. SURVEY; THENCE WEST 390 FEET; THENCE SOUTH 14.50 FEET; THENCE WEST 58.25 FEET TO THE EAST LINE OF EVES GARDEN #5; THENCE SOUTH 0 DEG 02 MIN EAST 150.5 FEET; THENCE EAST 448.25 FEET TO THE WEST LINE OF A HIGHWAY; THENCE NORTH 165 FEET TO BEGINNING.

EXCEPTING THEREFROM THAT PART OF THE ABOVE DESCRIBED PROPERTY INCLUDED WITHIN THE FOLLOWING: APART OF THE NORTHEAST QUARTER OF SECTION 26, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT WHICH IS NORTH 89 DEG 56 MIN 08 SEC WEST 498.25 FEET AND NORTH 0 DEG 02 MIN WEST 1269.65 FEET FROM THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 26, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF LOT 28, EVES' GARDEN SUBDIVISION NO.5; AND RUNNING THENCE NORTH 0 DEG 02 MIN WEST 277.49 FEET ALONG THE EAST LINE OF SAID SUBDIVISION TO A POINT WHICH IS 1107 FEET SOUTH FROM THE NORTH LINE OF SAID SECTION 26; THENCE NORTH 89 DEG 58 MIN EAST 105.00 FEET; THENCE SOUTH 0 DEG 02 MIN EAST 137.49 FEET; THENCE NORTH 89 DEG 58 MIN EAST 65 FEET; THENCE SOUTH 0 DEG 02 MIN EAST 140 FEET; THENCE SOUTH 89 DEG 58 MIN WEST 170.0 FEET TO THE POINT OF BEGINNING.

SUBJECT TO: A 20 FOOT RIGHT OF WAY FOR INGRESS AND EGRESS DESCRIBED AS FOLLOWS: BEGINNING AT A POINT WHICH IS SOUTH 0 DEG 02 MIN EAST 1107 FEET AND SOUTH 89 DEG 58 MIN WEST 498.25 FEET FROM THE NORTHEAST QUARTER OF SAID SECTION 26, SAID POINT BEING ON THE EAST LINE OF EVES' GARDEN NO.5 SUBDIVISION AND RUNNING THENCE NORTH 0 DEG 02 MIN WEST 20 FEET; THENCE NORTH 89 DEG 58 MIN EAST 448.25 FEET TO THE WEST LINE OF U.S. HIGHWAY 91; THENCE SOUTH 0 DEG 02 MIN EAST 20 FEET ALONG SAID HIGHWAY; THENCE SOUTH 89 DEG 58 MIN WEST 448.25 FEET TO THE POINT OF BEGINNING.

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TAX ID # ~~0~~-077-0113