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Rhonda Francis Summit County Recorder

01/08/2025 03:46:41 PM Fee \$40.00

By HARWARD & HAWES, PLLC

Electronically Recorded

Tax Parcel Nos.: FBD-1 & FBD-2

WHEN RECORDED RETURN TO:

Sangfroid Land, LLC

Attn: Brent Koch

881 Baxter Dr., Suite 100

South Jordan, UT 84095

Recorder's Use

**DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES,  
SECURITY AGREEMENT AND FIXTURE FILING**

THIS DEED OF TRUST CONSTITUTES A SECURITY AGREEMENT, AND IS FILED AS A FIXTURE FILING, WITH RESPECT TO ANY PORTION OF THE TRUST ESTATE IN WHICH A PERSONAL PROPERTY SECURITY INTEREST OR LIEN MAY BE GRANTED OR CREATED PURSUANT TO THE UTAH UNIFORM COMMERCIAL CODE OR UNDER COMMON LAW, AND AS TO ALL REPLACEMENTS, SUBSTITUTIONS, AND ADDITIONS TO SUCH PROPERTY AND THE PROCEEDS THEREOF. FOR PURPOSES OF THE SECURITY INTEREST OR LIEN CREATED HEREBY, BENEFICIARY IS THE "SECURED PARTY" AND TRUSTOR IS THE "DEBTOR." TRUSTOR IS THE RECORD OWNER OF THE PROPERTY.

**THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING** (as it may be amended and modified from time to time, the "**Deed of Trust**") is made and entered into on **AUGUST 9, 2024** by and among **Randal Castona and Leona Gonzalez, husband and wife**, whose mailing address is PO Box 157, Oakley, UT 84055, as trustor ("**Trustor**"), **Harward & Hawes, PLLC**, a Utah professional limited liability company, whose address is 67 West 13490 South, Ste. 100, Draper, Utah 84020 as trustee ("**Trustee**"), and **Sangfroid Land, LLC**, a Utah limited liability company, whose mailing address is 881 Baxter Dr., Suite 100, South Jordan, UT 84095 as beneficiary and secured party ("**Beneficiary**").

WITNESSETH:

WHEREAS, Beneficiary has agreed to make a loan available to Trustor in the principal amount of **ONE HUNDRED FORTY-NINE THOUSAND DOLLARS AND NO/100 (\$149,000.00)** (the "**Loan**"), pursuant to a Secured Promissory Note, dated **AUGUST 9, 2024** executed by Trustor, as Maker, for the benefit of Beneficiary (the "**Note**");

WHEREAS, the Trustor owns that certain real property located in Summit County, State of Utah as more particularly described in Exhibit "A" hereto;

WHEREAS, Beneficiary desires to secure the performance of Trustor's Obligations, as described herein, under the Guaranty, and any other documents, agreements or instruments governing, evidencing or securing the Loan (the "**Obligations**"), and Trustor is willing to enter into this Deed of Trust to secure the obligations of Trustor to Beneficiary.

AGREEMENT:

NOW, THEREFORE, upon the terms, covenants and conditions set forth in this Deed of Trust, and for good and valuable consideration, including the indebtedness herein recited as advanced to Trustor and the trust herein created, the receipt of which is hereby acknowledged, (i) Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth that certain real property located in the County of Wasatch, State of Utah, more particularly described in **Exhibit "A"** to this Deed of Trust (the **"Property"**), and (ii) Trustor hereby grants to Beneficiary, as secured party, a security interest in and to any personal property of Trustor now or hereafter attached thereto, under and subject to the terms and conditions hereinafter set forth;

TOGETHER WITH any and all buildings and other improvements now or hereafter erected on the Property including, without limitation, fixtures, attachments, appliances, equipment, machinery, and other personal property attached to such buildings and other improvements (the **"Improvements"**), all of which shall be deemed and construed to be a part of the real property;

TOGETHER WITH all rents, issues, profits, damages, royalties, income and other benefits now or hereafter derived from the Property and the Improvements (collectively the **"Rents"**) subject to the terms and provisions of this Deed of Trust with respect to all leases and subleases of the Property or Improvements now or hereafter existing or entered into, or portions thereof, granted by Trustor, and further subject to the right, power and authority hereinafter given to Trustor to collect and apply such Rents;

TOGETHER WITH all leasehold estate, right, title and interest of Trustor in and to all leases or sales contracts covering the Property or the Improvements or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder including, without limitation, all rights of Trustor against guarantors thereof, all cash or sales deposits, advance rentals, and payments of similar nature;

TOGETHER WITH all easements, rights-of-way and other rights used or to be used in connection with or otherwise benefitting the Property or the Improvements or as a means of access thereto, and all water, water rights and shares of stock evidencing the same;

TOGETHER WITH all present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in the Uniform Commercial Code of Utah (the **"UCC"**), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Property, including furniture, furnishings, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating, ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and

all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property (the "**Goods**,")

TOGETHER WITH all present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written materials (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the Property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies (whether or not required to be carried by Trustor pursuant to the terms hereof), together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements and other payments arising or resulting from or otherwise relating to any insurance (whether or not Beneficiary is named as a loss payee of such insurance) or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property, (vii) license agreements, service and maintenance agreements, purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Trustor under any such agreements, (viii) reserves, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types of intangible personal property of any kind or nature, and (ix) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (the "**Intangibles**").

TOGETHER WITH all the estate, interest, right, title, other claim or demand, both in law and in equity, that Trustor now has or may hereafter acquire in any of the foregoing, or any other part of the Trust Estate (as defined below), and any and all awards made for the taking by eminent domain, or by any proceeding of purchase in lieu thereof, of the whole or any part of the Trust Estate; and

TOGETHER WITH all accessions to, substitutions for and replacements, products, and proceeds of any of the foregoing, including, without limitation, the conversion, voluntary or involuntary, into cash or liquidated claims of, any of the foregoing.

The entire estate, property, right, title and interest hereby conveyed to Trustee, including without limitation the Property, Rents, Improvements, Goods and Intangibles may hereafter be collectively referred to as the "**Trust Estate**."

## ARTICLE 1: OBLIGATIONS SECURED

FOR THE PURPOSE OF SECURING, (IN SUCH ORDER OF PRIORITY AS BENEFICIARY MAY ELECT) (the “**Obligations**”):

(a) Payment of indebtedness of Trustor owed to Beneficiary, including the entire principal balance together with any accrued interest of indebtedness evidenced by the Guaranty executed by Trustor;

(b) The payment and performance of each and every agreement and obligation of Trustor under this Deed of Trust and under any other instrument given to further evidence or secure the payment and performance of any obligations secured by this Deed of Trust;

(c) Payment of all sums advanced by Beneficiary or Trustee to protect the Trust Estate, with interest thereon as determined under the Note);

(d) The payment and performance of any other agreement or obligation, including additional promissory notes securing future advances, reciting that it is secured by this Deed of Trust;

(e) For the benefit of Beneficiary, compliance with and performance of each and every provision of any declaration of covenants, conditions and restrictions, any maintenance, easement, party wall agreement, or any other agreement, document, or instrument by which the Trust Estate is bound or may be affected; and

(f) Any extensions, renewals or modifications of, or advances under the Note, or any of the obligations contained in or otherwise evidenced by the Note, regardless of the extent of or the subject matter of any such extension, renewal, modification or advance.

## ARTICLE 2: TITLE REPRESENTATIONS AND WARRANTIES

Trustor represents and warrants to Beneficiary that it is the owner of fee simple marketable title in and to the Property and that it shall defend title to the Property against all claims and demands whatsoever, except as otherwise provided in this Deed of Trust. Notwithstanding any other provision of this Deed of Trust, however, Trustor grants this Deed of Trust to Beneficiary subject and subordinate to all easements, covenants, conditions and restrictions of record regarding the Property prior to the recording of this Deed of Trust (the “**Permitted Exceptions**”) and subject and subordinate to all liens and encumbrances against the Trust Estate, or any portion thereof, existing prior to the recording of this Deed of Trust, other than liens evidencing obligations for borrowed monies (the “**Permitted Liens**”). Trustor further represents and warrants to Beneficiary that is not a “foreign person” within the meaning of the Internal Revenue Code of 1986, as amended, Sections 1445 and 7701 (i.e. Trustor is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined therein and in any regulations promulgated thereunder).

### ARTICLE 3: MAINTENANCE OF TRUST ESTATE

Trustor shall (a) maintain the Property at all times in good condition and repair; (b) not commit any waste of the Property; (c) comply at all times with all laws, ordinances, regulations, covenants and restrictions in any manner affecting the Property; (d) not commit or permit any act upon the Property in violation of law; and (e) do all acts which by reason of the character or use of the Property may be reasonably necessary to maintain and care for the same, the specific enumeration herein not excluding the general.

### ARTICLE 4: INSURANCE

4.1 Trustor shall obtain and maintain insurance coverage on the real estate and personal property securing the Loan. The policies shall provide for the following:

(a) All risk builder's risk insurance (non-reporting form) during the grading of the site and during construction of the Improvements (if applicable) in an amount equal to one hundred percent (100%) of the replacement cost of the Improvements providing all-risk coverage on the Improvements and materials stored on the Property and elsewhere, and including the perils of collapse, water damage and, if requested by Beneficiary, flood, business interruption, permission to occupy, interest costs and other risks.

(b) All-risk casualty insurance after completion of construction of the Improvements (if not sold promptly upon completion) (if applicable) in the amount of one hundred percent (100%) of the replacement cost of such Improvements located on the Property.

(c) Commercial general liability coverage in a minimum amount of not less than the full replacement value of the Property per occurrence and in the aggregate.

(d) Flood hazard coverage in the maximum amount available, if the Property is located in federally identified flood hazard area.

4.2 Each policy of insurance required under this Deed of Trust shall provide that it may not be modified or canceled without at least thirty (30) days' prior written notice to the holder of the first trust deed against the property (the "**First Trust Deed Holder**").

### ARTICLE 5: INDEMNIFICATION AND OFF-SET

5.1 Indemnification. Trustor hereby indemnifies and holds Beneficiary harmless in accordance with the following:

Trustor shall indemnify, defend and hold Beneficiary harmless from any and all losses, damages, claims, causes of action, suits, debts, obligations, or liabilities which arise from or are related to the Note, this Deed of Trust, any other document evidencing or securing the obligations of Trustor under the Note, or the use or occupation of the Property, or any part thereof, including attorney's fees. If Beneficiary commences an action against Trustor to enforce any of the terms, covenants

or conditions of this Deed of Trust because of the breach by Trustor of any of such terms, covenants, or conditions, or for the recovery of any sum secured hereby, Trustor shall pay to Beneficiary attorneys' fees and costs actually incurred by Beneficiary. If Trustor breaches any material term, covenant or condition of this Deed of Trust, Beneficiary may employ an attorney or attorneys to protect Beneficiary's rights hereunder and in the event of such employment following any breach of Trustor, Trustor shall pay Beneficiary attorneys fees and costs actually incurred by Beneficiary, whether or not action is actually commenced against Trustor by reason of such material breach; and

5.2 Off-Set. All sums payable by Trustor under this Deed of Trust shall be paid without notices, demand, counterclaim, set-off, deduction or defense and without abatement, suspension, deferment, diminution or reduction. The Obligations and liabilities of Trustor hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (a) any damage to or destruction of, prevention of use of, or any condemnation or similar taking of the Property or any part thereof; (b) any title defect or encumbrance or any eviction from the Property or any part thereof by title paramount or otherwise; (c) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Beneficiary, or any action taken with respect to this Deed of Trust by any trustee or receiver of Beneficiary, or by any court, in any such proceeding; (d) any claim which Trustor has or might have against Beneficiary or any default by Beneficiary; or (e) any other occurrence whatsoever, whether similar or dissimilar to the foregoing.

## **ARTICLE 6: TAXES AND IMPOSITIONS**

6.1 Payment of Taxes and Impositions. Trustor shall pay, prior to delinquency, all real property taxes and assessments, general and special, and all other taxes, assessments and other governmental, municipal, or other charges or impositions of any kind or nature whatsoever which are assessed or imposed upon the Property, or become due and payable, and which create, may create, or appear to create, a lien upon the Property or any portion of the Property, or upon any equipment or other facility used in the construction, operation or maintenance of the Property (all of which taxes, assessments and other governmental charges of like nature are hereinafter referred to as "**Impositions**"); provided, however, that if, by law, any such Imposition is payable, or may at the election of the taxpayer be paid in installments, Trustor may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest. Unless such Imposition is paid directly by Beneficiary pursuant to Section 7.3, Trustor shall, if requested by Beneficiary, furnish Beneficiary, within thirty (30) days after the date upon which such Imposition is due and payable by Trustor, official receipts of the appropriate taxing authority, or other proof satisfactory to Beneficiary, evidencing the payments thereof.

6.2 Right to Contest. Trustor shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings, but such contest shall not be deemed or construed in any way as relieving, modifying or extending Trustor's covenant to pay any such Imposition at the time and in the manner provided in Section 6.1, unless Trustor has given prior written notice to Beneficiary of Trustor's intent to so contest or object to an Imposition.

## ARTICLE 7: ADDITIONAL COVENANTS

7.1 Payment of Utilities. Trustor shall pay when due all utility charges incurred by Trustor for the benefit of the Property or which may become a charge or lien against the Property for gas, electricity, water or sewer services furnished to the Property and all assessments or charges of a similar nature, whether public or private, affecting the Property or any portion thereof, whether or not such assessments or charges are liens thereon.

7.2 Defense of Title. Except as provided otherwise above or in Section 6.2 and Article 2, Trustor shall promptly discharge any lien, which has, or may have, priority over or equality with the lien created by this Deed of Trust. Trustor shall appear in and defend any action or proceeding purporting to affect the security hereof, the Property, or the rights or powers of Beneficiary or Trustee. Should Beneficiary elect to appear in or defend any such action or proceeding, Trustor shall pay all costs and expenses, including costs of evidence of title and reasonable attorney fees and costs, incurred by Beneficiary or Trustee. Trustor is, and as to any portion of the Trust Estate acquired hereafter will upon such acquisitions be, and shall remain the owner of the Trust Estate free and clear of any Liens and Encumbrances. Trustor shall not abandon any water rights, power rights or any rights of whatever nature which are appurtenant to the Trust Estate. Trustor shall not grant, shall not suffer to exist, and shall pay and promptly discharge, at Trustor's cost and expense, all Liens and Encumbrances (as such term is hereinafter defined) and any claims thereof upon the Trust Estate, or any part thereof or interest therein. Trustor shall notify Beneficiary immediately in writing of any Lien or Encumbrance (as such term is hereinafter defined) or claim thereof. Trustor shall have the right to contest in good faith the validity of any involuntary Lien or Encumbrance, provided that if Trustor loses such contest, Trustor shall thereafter diligently proceed to cause such Lien or Encumbrance to be removed and discharged. If Trustor shall fail to remove and discharge any Lien or Encumbrance or claim thereof, then, in addition to any other right or remedy of Beneficiary, Beneficiary may, after only such notice to Trustor as may be reasonable under the then existing circumstances, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such Lien or Encumbrance by depositing in a court a bond or the amount claimed or otherwise giving security for such claim, or by procuring such discharge in such manner as is or may be prescribed by law. Trustor shall, immediately upon demand therefor by Beneficiary, pay to Beneficiary an amount equal to all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing right to discharge any Lien or Encumbrance or claim thereof, together with interest thereon from the date of each such expenditure at the agreed rate. Such costs and expenses shall be secured by this Deed of Trust. **"Lien or Encumbrance"** and **"Liens and Encumbrances"** do not include or refer to any of the Permitted Liens and otherwise mean, respectively, each and all of the following in respect of the Trust Estate: leases, other rights to occupy or use, mortgages, deeds of trust, pledges, security agreements, assignments, assignments as security, conditional sales, title retention arrangements or agreements, and other charges, liens, encumbrances, or adverse interests, whether voluntarily or involuntarily created, that constitute a lien against the Property having a priority senior to the lien of this Deed of Trust. Except as otherwise provided herein regarding terms and conditions for the grant of partial releases by Beneficiary from the lien of this Deed of Trust, upon the sale by Trustor of any lots comprising the Property to third parties, Trustor agrees to pay all amounts directly to Beneficiary up to the

amount due under the Note and such payments shall be paid first to Beneficiary prior to the payment of any other lien or encumbrance on the Property.

7.3 Performance in Trustor's Stead. Should Trustor fail to make any payment or to do any act as provided in this Deed of Trust, then Beneficiary or Trustee, but without any obligation to do so, and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof (Beneficiary or Trustee being authorized to enter upon the Property for such purposes); commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be superior to the lien of this Deed of Trust; and in exercising any such powers, incur any liability, expend such reasonable amounts as Beneficiary may deem necessary therefor, including cost of evidence of title, employment of attorneys, and payment of attorney fees and costs. All such amounts expended by either or both Trustee or Beneficiary shall, at the election of Beneficiary, be added to the principal indebtedness secured by this Deed of Trust and shall accrue interest at the default interest rate under the Note until paid. Trustor hereby waives and releases all claims or causes of action that may hereafter arise in favor of Trustor against Beneficiary by reason of any action taken by Beneficiary granted in this Section 7.3.

Trustor shall immediately repay to Beneficiary sums, with interest thereon at the default interest rate specified in the Note, which at any time may be paid or advanced by Beneficiary for the payment of insurance premiums, taxes, assessments, other governmental, municipal, or other charges or impositions, title searches, title reports or abstracts, and any other advances made by Beneficiary which are reasonably necessary or desirable to maintain this Deed of Trust as a prior, valid, and subsisting lien upon the Property, to preserve and protect Beneficiary's interest in this Deed of Trust, or to preserve, repair, or maintain the Property. All such advances shall be wholly optional on the part of Beneficiary, and Trustor's obligation to repay the same, with interest, to Beneficiary shall be secured by the lien of this Deed of Trust.

7.4 Further Assurance. Trustor shall execute and deliver to Beneficiary such further documents, and Trustor authorizes Beneficiary to prepare, deliver and file, Uniform Commercial Code Financing Statements and continuation statements, and do such further acts as may be necessary or as may be reasonably required by Beneficiary to carry out more effectively the purposes of this Deed of Trust and to subject to the lien and mortgage created or intended to be created hereby any property, rights, or interests covered or intended to be covered by this Deed of Trust. Trustor authorizes (to the extent such authorization is valid under applicable law) Beneficiary to execute and file, without Trustor's signature, such Uniform Commercial Code Financing Statements and Continuation Statements, as Beneficiary may deem necessary in order to perfect, or continue the perfection, of the security interests created by this Deed of Trust.

7.5 Change in Name; State of Formation. Trustor shall not change Trustor's legal name, or, in the case of an entity, the Trustor's state of formation, without prior written notice to Beneficiary.



## **ARTICLE 8: CONDEMNATION AWARDS**

If the Property or any portion thereof should be taken or damaged by reason of any public improvement or condemnation proceeding, or in any purchase in lieu thereof, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor (subject to the rights of holders of the Permitted Liens), and shall be entitled at Beneficiary's option to commence, appear in, and prosecute in Beneficiary's own name any action or proceeding, and to make any compromise or settlement, in connection with such taking. Trustor shall promptly give notice to Beneficiary of any condemnation proceeding or any taking for public improvement. All such compensation, awards, damages, causes of action, proceeds, or other payments are hereby assigned to Beneficiary (subject to the rights of holders of the Permitted Liens), which may, after deducting therefrom all costs and expenses (regardless of the particular nature thereof and whether incurred with or without suit or before or after judgment), including attorney fees, incurred by Beneficiary in connection with such compensation, awards, damages, rights of action, proceeds, or other payments, release any and all moneys so received by Beneficiary or apply the same, or any portion thereof, on any of the Obligations (whether or not then due) secured by this Deed of Trust. Beneficiary shall have no obligation to apply proceeds of condemnation to restore or repair damage to the Property regardless of whether such taking has a significant adverse impact on the operation of the remaining portion of the Property. Trustor shall execute and deliver to Beneficiary such further assignments (consistent with the terms of this Deed of Trust) of such compensation, awards, damages, causes of action, proceeds, or other payments as Beneficiary may from time to time require.

## **ARTICLE 9: ASSIGNMENT OF RENTS AND INCOME**

Trustor hereby assigns, transfers, and conveys to Beneficiary during the term of this Deed of Trust, any and all rents, income, and profits of and from the Property. The proceeds from any and all such rents, income or profits from the Property shall be, at the election of Beneficiary, payable to Beneficiary toward the satisfaction of Trustor's Obligations. Upon the occurrence of an Event of Default hereunder and/or upon Beneficiary's election to collect the rents, income, and profits as hereinafter provided, Beneficiary shall have the right (subject to the rights of holders of the Permitted Liens), with or without taking possession of the Property, and either in person, by agent, or through a court-appointed receiver (Trustor hereby consents to the appointment of Beneficiary or Beneficiary's designee as such receiver), to sue for or otherwise collect all such rents, income, and profits, including those past due and unpaid. All tenants, lessees, and other persons which have any obligation to make any purchase or payment to Trustor in connection with the Property or any portion thereof are hereby authorized and directed to pay or fulfill any rents, income, and profits payable by them with respect to the Property, or any part thereof, directly to Beneficiary on the demand of Beneficiary (subject to the rights of holders of the Permitted Liens).

Beneficiary's receipt of rents, income, and profits shall be a good and sufficient discharge of the obligation of the tenant, lessee, sublessee, or other person concerned to make the payment connected with the amount so received by the Beneficiary. When all of the Obligations have been fully satisfied and such satisfaction is evidenced by a recorded deed of reconveyance of this Deed of Trust, this Assignment shall no longer be of effect and shall be void.

The entering upon and taking possession of the Property or any portion of the Property or the collection of contractual collection of rents, income, profits, proceeds of fire and other insurance policies, or compensation or awards for any taking or damaging of the Property, or the application or release thereof as aforesaid, shall not cure or waive any Event of Default or notice of default hereunder, shall not invalidate any act done pursuant to such notice of default, and shall not operate to postpone or suspend the obligation to make, or have the effect of altering the size of any scheduled installments provided for in any of the Obligations secured by this Deed of Trust. Trustor shall indemnify and hold Beneficiary harmless from and against all claims, demands, judgments, liabilities, actions, costs, and fees (including reasonable attorney's fees) arising from or related to receipt by Beneficiary of the rents, income and profits from the Property or any portion of the Property, except those liabilities arising from Beneficiary's own gross negligence.

## **ARTICLE 10: EVENTS OF DEFAULT AND REMEDIES**

10.1 Events of Default. The occurrence and continuance of any one of the following shall constitute an event of default (herein referred to as an "**Event of Default**"): (a) Except as provided otherwise in Section 10.1(b), failure by the Trustor to observe and perform any of the terms, covenants, or conditions to be observed or performed by Trustor contained in either this Deed of Trust or the Note or any document entered into in connection with or ancillary to this Deed of Trust or the Note (collectively the "**Loan Documents**") for a period of ten (10) days after written notice, specifying such failure and requesting that it be remedied, given to Trustor by Beneficiary, unless Beneficiary shall agree in writing to an extension of such time prior to its expiration; or (b) If Trustor shall fail to make any payment due and payable under the terms of any Loan Document immediately when due; or (c) Any material representation or warranty of the Trustor contained in any Loan Document was untrue when made; or (d) The occurrence of a default, breach or an event of default under any Loan Document, or any other document relating to, governing, securing or evidencing the indebtedness evidenced by the Note.

10.2 Acceleration; Notice. Time is of the essence hereof. Upon the occurrence of any Event of Default under this Deed of Trust, at Beneficiary's option and in addition to any other remedy Beneficiary may have under the Note, Beneficiary may declare all sums secured hereby immediately due and payable and elect to have the Property sold in the manner provided herein, and by applicable law. In the event Beneficiary elects to sell the Property, Beneficiary may cause Trustee to execute a written notice of default and of election to cause the Property to be sold to satisfy the obligations hereof, and Trustee shall file such notice for record in the office of the County Recorder of the County wherein the Property is located. Beneficiary may, at its option, declare all or any part of the Obligations immediately due and payable without any presentment, demand, protest or notice of any kind.

Beneficiary may, in addition to the exercise of any or all of the remedies specified in Section 10.2:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Trust Estate, or any part thereof, in its own name or in the name of Trustee, and do any acts that it deems necessary or desirable to preserve the value, marketability or

rentability of the Trust Estate, or any part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Trust Estate, sue for or otherwise collect the Rents, or any part thereof, including, without limitation, those past due and unpaid, and apply the same, less costs and expenses of operation and collection (including, without limitation, attorneys' fees) upon the Obligations, all in such order as Beneficiary may determine (subject to the rights of holders of the Permitted Liens). The entering upon and taking possession of the Trust Estate, the collection of such Rents and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of all or any portion of the Trust Estate or the collection, receipt and application of Rents, Trustee or Beneficiary shall be entitled to exercise every right provided for in any of the Obligations or by law upon occurrence of any Event of Default, including, without limitation, the right to exercise the power of sale;

(b) Commence an action to foreclose the lien of this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof; (c) Exercise of the power of sale herein contained and deliver to Trustee a written statement of breach, notice of default and election to cause Trustor's interest in the Trust Estate to be sold; or (d) Exercise any or all other rights and remedies provided herein, in any Loan Document or other document or agreement now or hereafter securing or guarantying all or any portion of the Obligations, or by law.

10.3 Exercise of Power of Sale. After the lapse of such time as may then be required by law following the recordation of the notice of default, and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property on the date and at the time and place designated in the notice of sale, either as a whole or in separate parcels, and in such order as Beneficiary may determine, at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause deemed expedient, postpone the sale from time to time until it shall be completed and, in every such case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale. Trustee shall execute and deliver to the purchaser a Trustee's Deed conveying the Property so sold, but without any covenant of warranty, express or implied, except as required by law. The recitals in the Trustee's Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale. Trustee shall apply the proceeds of the sale (subject to the rights of holders of the Permitted Liens) to payment of (a) the costs and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's and attorney's fees and costs; (b) cost of any evidence of title procured in connection with such sale; (c) all sums expended under the terms hereof in conjunction with any default provision hereunder, not then repaid, with accrued interest at the Default Rate under the Note; (d) all sums then secured by this Deed of Trust; and (e) the remainder, if any, to the person or persons legally entitled thereto, or Trustee, in Trustee's discretion, may deposit the balance of such proceeds with the County Clerk of the County wherein the Property is located.

10.4 Surrender of Possession. Trustor shall surrender possession of the Property to the purchaser immediately after the sale of the Property as provided in Section 10.3 above, in the event such possession has not previously been surrendered by Trustor.

10.5 UCC Remedies. Notwithstanding anything to the contrary in Sections 10.3 and 10.4, Beneficiary, with regard to all deposit accounts, monies, fixtures, chattels, equipment, inventory, and other personal property, conveyed to Trustee under the Granting Clauses of this Deed of Trust, shall have the right to exercise, from time to time, any and all rights and remedies available to Beneficiary, as a secured party under the Utah Uniform Commercial Code, and any and all rights and remedies available to Beneficiary under any other applicable law (subject to the rights of holders of the Permitted Liens). Upon written demand from Beneficiary, Trustor shall, at Trustor's expense, assemble such deposit accounts, monies, fixtures, chattels, equipment, inventory, and personal property and make them available to Beneficiary at a reasonably convenient place designated by Beneficiary (subject to the rights of holders of the Permitted Liens).

10.6 Fixture Filing. Upon its recording in the real property records, this Deed of Trust shall be effective as a financing statement filed as a fixture filing. The filing of any other financing statement relating to any personal property, rights or interests described herein shall not be construed to diminish any right or priority hereunder.

10.7 Foreclosure as a Mortgage. If an Event of Default occurs hereunder, Beneficiary shall have the option to foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages on real property and Beneficiary shall be entitled to recover in such proceedings all costs and expenses incident thereto, including reasonable attorneys fees and costs in such amounts as shall be fixed by the court.

10.8 Receiver. If an Event of Default occurs, Beneficiary, as a matter of right and without regard to the then value of the Property or the interest of Trustor therein, shall have the right without notice to Trustor to apply to any court having jurisdiction to appoint a receiver or receivers of the Property and Trustor hereby irrevocably consents to such appointment. Any such receiver or receivers shall have all the usual powers and duties of a receiver and shall continue as such and exercise all such powers until completion of the sale of the Property or the foreclosure proceeding, unless the receivership is sooner terminated.

10.9 No Remedy Exclusive. No remedy conferred upon or reserved to Beneficiary under this Deed of Trust shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Deed of Trust or the Note or now or hereafter existing at law or in equity or by statute. No delay or failure to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

10.10 Rights upon Default. In entering into the Note, Beneficiary has relied upon the rights available to Beneficiary under this Deed of Trust upon the occurrence of an Event of Default, including, but not limited to, the rights to accelerate the payment of any and all amounts secured by this Deed of Trust, to sell the property encumbered by this Deed of Trust pursuant to the power of sale granted hereunder, and the right to foreclose this Deed of Trust as a mortgage. In addition to any other damages that might be recoverable by Beneficiary under the terms of this Deed of

Trust, Trustor shall be liable for any damages incurred by Beneficiary because Beneficiary is, for any reason, denied the opportunity to exercise Beneficiary's rights upon the occurrence of an Event of Default, including, but not limited to, such damages as are occasioned by depreciation of the Property, loss of use of the Property by Beneficiary, and all opportunity costs incurred through the loss of use of any funds as would have been received by Beneficiary through exercise of the power of the sale or foreclosure.

## ARTICLE 11: RELEASES

11.1 Release of Lien of Deed of Trust. Except as herein provided regarding terms and conditions for the granting by Beneficiary of partial releases of portions of the Property from the lien and encumbrance of this Deed of Trust, unless Beneficiary otherwise consents in writing, the Property or any part thereof covered by this Deed of Trust shall not be released until all indebtedness and obligations of Trustor under the Note have been paid and performed in full.

11.2 Partial Releases of Lien of Deed of Trust. Notwithstanding any other provision of this Deed of Trust, Beneficiary shall grant partial releases of portions of the Property from the lien and encumbrance of this Deed of Trust on and subject to the terms and conditions of the Addendum to Deed of Trust attached hereto as Exhibit "B", which is incorporated herein by this reference.

## ARTICLE 12: GENERAL PROVISIONS

12.1 Notices. Trustor hereby requests that a copy of notice of default and notice of sale be mailed to it at the address set forth above. That address is also the mailing address of Trustor as debtor under the Utah Uniform Commercial Code. Beneficiary's address given above is the address for Beneficiary as secured party under the Utah Uniform Commercial Code. **Trustee shall also provide a copy of the notice of default and notice of sale to Beneficiary at Beneficiary's address given above.**

12.2 Severability. If any provision of this Deed of Trust shall be held or deemed to be or shall, in fact, be illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions contained in this Deed of Trust or render the same invalid, inoperative, or unenforceable to any extent whatever.

12.3 Amendments, Changes, and Modifications. This Deed of Trust may not be amended, changed, modified, altered, or terminated without the written consent of Beneficiary.

12.4 Governing Law. This Deed of Trust shall be governed exclusively by and construed in accordance with the applicable laws of the State of Utah, without giving effect to its conflict of laws principles.

12.5 Binding Effect. This Deed of Trust shall be binding upon Trustor and Trustor's successors and assigns. This Deed of Trust shall inure to the benefit of Beneficiary, and Beneficiary's successors and assigns, and the holders of any of the Obligations secured hereby.

12.6 Waivers. Beneficiary's failure at any time or times hereafter to require strict performance by Trustor of any of undertakings, agreements, or covenants contained in this Deed of Trust shall not waive, affect, or diminish any right of Beneficiary hereunder to demand strict compliance and performance therewith. Any waiver by Beneficiary of any Event of Default under this Deed of Trust shall not waive or affect any other Event of Default hereunder, whether such Event of Default is prior or subsequent thereto and whether of the same or a different type. None of the undertakings, agreements, or covenants of Trustor under this Deed of Trust shall be deemed to have been waived by Beneficiary, unless such waiver is evidenced by an instrument in writing signed by an officer of Beneficiary and directed to Trustor specifying such waiver.

12.7 Access. Beneficiary, or Beneficiary's authorized agents and representatives, are hereby authorized and shall have the right, at all reasonable times during the existence of this Deed of Trust and upon reasonable written notice to Trustor (and at any time without notice after an Event of Default), to enter upon the Property or any portion of the Property for the purpose of inspecting the Property or for the purpose of performing any of the acts that Beneficiary is authorized under this Deed of Trust to perform.

12.8 Successor Trustee. Beneficiary may appoint a successor trustee at any time by filing for record in the office of the County Recorder of Wasatch County, State of Utah, a substitution of trustee. From the time the substitution is filed for record, the new Trustee shall succeed to all the powers, duties, authority and title of Trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made in the manner provided by law.

12.9 Heirs, Successors, Etc., Definitions. This Deed of Trust shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. All obligations of Trustor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including any pledgee, of the Note. In this Deed of Trust, whenever the context so requires, the masculine gender includes both the feminine and neuter, and the singular number includes the plural.

12.10 Acceptance of Trust. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

12.11 Attorneys' Fees. If any lawsuit is commenced to enforce any of the terms of the Deed of Trust, the prevailing party will have the right to recover its attorneys' fees and costs of suit from the other party. Also, Beneficiary and Trustee will have the right to recover all attorneys' fees and costs incurred with respect to any insolvency or bankruptcy action or proceeding involving Trustor as a debtor.

**(SIGNATURES ON THE FOLLOWING PAGE)**



**EXHIBIT "A"**

**DESCRIPTION OF THE PROPERTY**

**Parcel 1:**

**LOTS 1 & 2, FIVE BAR DASH SUBDIVISION, according to the official plat thereof as recorded in the Summit County Recorder's Office.**

**Excepting therefrom any portion of the above lying within the bounds of the following 2 parcels.**

**Commencing at the Northwest corner of Lot 1 of the Five Bar Dash Subdivision, (a part of Section 17, T 1 S. R 6 E., SLB&M) according to the official plat thereof on file in the office of the Summit County Recorder and running thence North 88° 58' 2" E. a distance of 1334.51 ft. more or less to an existing line of fence located at or near the Northeast corner of a tract of land owned by Stephen E. and Brenda L. Paull (Summit County Parcel No. OTNB-208-B); thence Southwesterly along said line of fence to the West line of Lot 1 of said Five Bar Dash Subdivision; thence North 0° 18' 54" West 26.8 ft. more or less along the West line of said Lot 1 to the point of beginning.**

**Beginning at a point located 2669.68 feet S. 89° 46' 56" W. along the Section line from the Southeast corner of section 17 Township 1 South, Range 6 East, Sale Lake Base and Meridian thence 193.32 feet N. 0° 18' 54" to point of beginning thence 250 feet N. 0° 18' 54" thence East 20 feet thence South 250 feet thence West 20 feet to point of Beginning.**

**Parcel 2:**

**Together with the following described Right of Way:**

**Commencing at the Southeast corner of said Lot 3 and running thence South 89° 46' 56" West 238.20 feet; thence South 30 feet; thence North 89° 46' 56" East 891.14 feet; thence South 0° 10' 13" East along a fence line 1246.11 feet more or less to a point on the North line of North Bench Road; thence North 88° 23' 23" East 30 feet; thence North 0° 10' 13" West 1270.18 feet more or less to the South line of the Stephen E. Paull and Brenda L. Paull Property, as described in that certain Warranty Deed recorded August 30, 1988, Entry No. 296307, in book 491, at page 416; thence South 89° 46' 56" West 652.7 feet; thence North 5.08 feet more or less to the point of commencement. (Entry # 591210, Book 1376, Page 1416)**

**Tax Parcel Nos. FBD-1 & FBD-2**