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WHEN RECORDED MAIL TO:

Sandy City
Attn: City Attorney
10000 Centennial Parkway
Sandy, Utah 84070

14079874 B: 11405 P: 2101 Total Pages: 8
03/08/2023 12:24 PM By: ECarter Fees: \$0.00
Rashelle Hobbs, Recorder, Salt Lake County, Utah
Return To SANDY CITY RECORDER
10000 CENTENNIAL PARKWAY SANDY, UT 84070



SPACE ABOVE THIS LINE FOR RECORDER'S USE

A portion only of Tax Serial No. _____

**TRUST DEED, ASSIGNMENT OF RENTS AND
SECURITY AGREEMENT**

THIS TRUST DEED, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT is made as of February 28, 2023, between HALE CENTRE THEATRE, a Utah nonprofit corporation, whose address is 9886 Monroe Street, Sandy, Utah 84070, as TRUSTOR; Metro National Title Company, as TRUSTEE, whose address is 345 East Broadway, Salt Lake City, Utah 84111; and, SANDY CITY, a municipal corporation and body politic pursuant to the laws of the State of Utah, whose address is 10000 Centennial Parkway, Sandy, Utah 84070, as BENEFICIARY.

WITNESSETH: That Trustor CONVEYS, TRANSFERS, ASSIGNS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, FOR THE BENEFIT OF BENEFICIARY, the buildings, fixtures and improvements only (e.g., collectively the "property") located upon or used in connection with the Trustor's leasehold interest in the real property situated in Sandy City, Salt Lake County, State of Utah, and more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.

Together with all the estate, right, title and interest that Trustor now has or may hereafter acquire, either in law or in equity, in and to the property described above; together with any amendment or restatement thereof, to have and to hold the same, together with all buildings, structures and improvements now or hereafter placed on the property and all alterations, additions or improvements now or hereafter made thereto, together with all fixtures, equipment, machinery, and mechanical systems of every nature whether now or hereafter located in, on or used or intended to be used in connection with said buildings, structures and improvements or on the property to the extent that they have been attached to or incorporated within or into the improvements or the property, and with respect to such fixtures, which would otherwise constitute realty under applicable

Utah law, including without limitation those for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air and light and including without limitation all plumbing, plumbing fixtures, water heaters, furnaces, air conditioners, light fixtures, awnings, storm windows, storm doors, curtains, curtain rods, cabinets, wall coverings, carpeting, landscaping trees and plants, fences, security systems and outdoor lighting, and all other similar items and all additions and replacements therefor, whether now or hereafter placed on the property or in any of the buildings or improvements thereon, and together with all easements, rights of way, covenants benefitting the property, including all rights of Trustor under any parking agreements, parking leases, and licenses to park, together with all singular lands, tenements, hereditaments, reversions, remainders, governmental permits, governmental entitlements, plans and specifications, studies, data, tests, reports and drawings, and appurtenances of every kind and nature thereunto belonging, relating or in any way appertaining, or which may be hereafter acquired and used or related to said property, or any part thereof, and together with all proceeds therefrom including without limitation insurance proceeds (all of the foregoing, and including the property shall hereinafter be referred to as the "Property").

FOR THE PURPOSE OF SECURING the payment and performance of all obligations of Trustor (1) as "Tenant" under that certain Lease Agreement dated August 1, 2015, as amended by that certain First Amendment to Lease Agreement of even date herewith (collectively, the "Lease") wherein Beneficiary is "Landlord", evidencing Tenant's obligation to make lease payments and to pay other amounts over time totaling an original amount of in excess of Seventy One Million Three Hundred Seventy-Seven Thousand, One Hundred Sixty-Two Dollars (\$71,377,162), and all extensions and modifications thereof; (2) the performance of each agreement of Trustor set forth in this Trust Deed; and (3) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms hereof, together with interest thereon as provided herein or in the Lease.

An "event of default" or a "default" under this Trust Deed shall occur upon (1) any default or event of default occurring under the Lease, (2) any default or event of default occurring under any other obligation secured by this Trust Deed, (3) any failure to meet or comply with Trustor's obligations under this Trust Deed, (4) any failure to pay any other encumbrances against the Property when due, (5) a receiver or a trustee being appointed for Trustor or with respect to Trustor's property, (6) Trustor making an assignment for benefit of creditors, (7) Trustor becoming insolvent, or (8) a petition being filed by or against Trustor pursuant to any provision of the United States Bankruptcy Code, as amended.

TO PROTECT THE SECURITY OF THIS TRUST DEED, TRUSTOR AGREES:

1. To keep the Property in good condition and repair; not to remove or demolish any building or improvement; to complete or restore promptly and in good workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting the Property including without limitation all applicable local, state and federal laws, rules, regulations and ordinances relating to land use, zoning or protection of the environment, or to the generation, use, storage, removal, transportation, handling or disposal of toxic materials, hazardous substances, hazardous waste or other similar materials or substances; not to commit or permit waste on the Property; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary.

2. To provide and maintain insurance, of such type or types and amounts as Beneficiary may otherwise require, on the improvements now existing or hereafter constructed or placed on the Property. Such insurance shall be carried in companies approved by Beneficiary with loss payable clauses and mortgagee clauses in favor of and in form acceptable to Beneficiary. In the event of a loss, Trustor shall give immediate notice to Beneficiary, who may make proof of loss, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary alone instead of to Trustor and Beneficiary jointly, and the insurance proceeds, or any part thereof, shall be applied as follows: the insurance proceeds

shall be delivered to Beneficiary who shall disburse such proceeds for the restoration and/or repair of the Property, using the same procedure set forth in Section 9.8 of the Lease. Any insurance proceeds payable to Trustor or Beneficiary in excess of the amounts required to repair and/or restore the Property shall be the property of Trustor, and Trustor shall be solely responsible for paying any shortfall between the insurance proceeds and the cost of such restoration or repair. In the event that the Trustor shall fail to provide satisfactory hazard insurance within thirty days prior to the expiration of any expiring policy, Beneficiary may procure, on the Trustor's behalf, insurance in favor of Beneficiary alone with Trustor being obligated to reimburse Beneficiary immediately for such costs. If insurance cannot be secured by the Trustor to provide the required coverage, or if Trustor fails to reimburse Beneficiary immediately for the costs of insurance incurred by Beneficiary, such event will constitute an event of default under the terms of this Trust Deed. In the event of the foreclosure of this Trust Deed or other transfer of title to the Property in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of the Trustor in and to any insurance policy then in force shall pass to the purchaser or grantee.

3. [Intentionally omitted] .

4. To appear in and defend any action or proceeding purporting to affect the liens and security interests granted hereby, the title to the Property, or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorney's fees incurred by Beneficiary and Trustee.

5. To pay at least 10 days before delinquency all property taxes, privilege taxes, and assessments affecting the Property, including all charges for water, sewer, electricity and other utilities appurtenant to or used in connection with the Property; to pay, when due, all encumbrances, charges, and liens with interest on the Property or any part thereof; and to pay all costs, fees, and expenses incurred in connection with this Trust Deed.

6. Upon an event of default, including a default under the Lease and including Trustor's failure to make any payment or to do any act as provided in this Trust Deed, and the expiration of all applicable notice and cure periods as set forth in the Lease or in this Trust Deed, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation thereof or under the Lease, may (i) 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; (ii) commence, appear in and defend any action or proceeding purporting to affect the Property or the rights or powers of Beneficiary or Trustee; (iii) pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and (iv) in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title and the employment of attorneys.

7. That the Beneficiary shall have the right to inspect the Property before, during or after construction is completed at any and all times during usual business hours.

8. To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee with interest from date of expenditure until paid at the interest rate set forth in Section 18 of the Lease. The repayment of such sums and interest shall be secured hereby.

IT IS MUTUALLY AGREED THAT:

1. Should the Property or any part thereof be taken or damaged by reason of any public improvements or condemnation proceeding, or damaged by fire, earthquake, or flood, or in any other manner, the following provisions shall apply:

(a) Condemnation. In the event of any Total Taking, Substantial Taking, Partial Taking, or Temporary Taking, as such terms are defined in Section 15.1 of the Lease, any Award relative to the Beehive Improvements shall be allocated between Beneficiary and Trustor as provided in Section 15 of the Lease (as if such provisions applied to the Beehive Improvements).

(a) Casualty. In the event of the happening of any casualty to the Property or any part thereof, Trustor shall give prompt written notice thereof to Beneficiary and the respective rights and obligations of the parties thereto shall be governed by the provisions of Section 2 above of this Trust Deed.

2. At any time and from time to time upon written request of Beneficiary, and payment of its fees, without affecting the liability of Trustor or any other person for the payment of the obligations secured hereby, Trustee may (a) consent to the making of any map or plat of the Property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Trust Deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the Property; and (e) take other or additional security for the payment thereof. The grantee in any reconveyance may be described as "the person or persons entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor agrees to pay reasonable Trustee's fees for any of the services mentioned in this paragraph.

3. [Intentionally omitted] .

4. Upon any default hereunder or any default under the Lease, and the expiration of all applicable notice and cure periods as set forth in the Lease, Beneficiary may at any time with notice, by a receiver to be appointed by a court (Trustor hereby consenting to the appointment of such receiver without the posting of a bond or undertaking and consenting to the appointment of Beneficiary as such receiver), and without regard to the value of the Property or the adequacy of any security for the obligations hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect said rents, issues and profits including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorney's fees, upon any obligations secured hereby, and in such order as Beneficiary may determine.

5. The entering upon and taking possession of the Property, the appointment of a receiver, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of the Property, and the application thereof shall not cure or waive any default or notice of default hereunder or under the Lease nor invalidate the rights of Beneficiary upon such default or under the notice of default nor any act done pursuant to such notice of default.

6. Failure on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Beneficiary of any default or acceptance of payment of any sum secured hereby after its due date shall not constitute a waiver of any other subsequent default.

7. Time is of the essence hereof. Upon default in the payment of any obligations secured hereby or in the performance of any agreement hereunder, or upon the termination of the Lease by reason of Tenant's uncured default, or in the event a receiver or a trustee is appointed for Trustor, or Trustor makes a general assignment for benefit of creditors, or Trustor becomes insolvent, or a petition is filed by or against Trustor pursuant to any provisions of the United States Bankruptcy Code, as amended, Beneficiary shall be entitled to pursue all of its remedies available pursuant to the Lease, at law or in equity as it relates to the Property.. In the event of such default, Beneficiary may execute or 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 each county wherein the Property or some part or parcel thereof is situated. Beneficiary also shall, if requested, deposit with Trustee, the Lease and all documents evidencing expenditures secured hereby. The rights and remedies granted herein by Trustor to the Beneficiary and Trustee are in addition to Beneficiary's rights and remedies set forth in the Lease. Nothing set forth in this 7 shall modify or waive any obligation, right or remedy of Beneficiary as the "Landlord" under the Lease, nor limit Beneficiary's exercise of its rights and remedies in accordance with the Lease, including without limitation, the remedy of termination of the Lease.

8. At any time after the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, may sell the Property on the date and at the time and place designated in such notice of sale, either as a whole or in separate parcels, and in such order as Beneficiary may request, 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 reason, postpone the sale from time to time to the extent permitted by law 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 its Trustee's deed conveying the Property so sold, but without any covenant or warranty, express or implied. 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. Except as otherwise directed by applicable law, Trustee shall apply the proceeds of the sale to payment of (1) 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; (2) the costs of any appraisals, environmental audits, and evidences of title procured in connection with such sale and any expenses associated with the Trustee's deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest from the day of expenditure at the default rate set forth in the Lease as allocated by Beneficiary in its discretion; (4) the Lease obligations as then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit or interplead the balance of such proceeds with the county clerk or a court of the county in which the sale took place.

9. Trustor agrees to surrender possession of the Property to the purchaser at the sale immediately after such sale in the event such possession has not previously been surrendered by Trustor.

10. Upon the occurrence of any default hereunder or any default under the obligations secured hereby, including a default under the Lease, subject to Trustor's cure rights under the Lease and Trustor's statutory right of reinstatement, Beneficiary shall have the option to foreclose this Trust Deed 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 appraisals, environmental audits, title reports, court costs and attorney's fees in such amount as shall be fixed by the court. Beneficiary's acceptance of this Trust Deed does not constitute a waiver of any events of default which may exist on the Lease as of the date this Trust Deed is delivered by Trustor.

11. This Trust Deed is intended to be an assignment, security agreement and pledge pursuant to the Uniform Commercial Code and other applicable law for any of the items specified above as part of the Property which, under applicable law, may be subject to an assignment, security interest or pledge pursuant to the Uniform Commercial Code or such other law, and Trustor hereby grants Beneficiary a security interest in the items specified above as part of the Property which are personal property except as provided in Section 12.4 of the Lease. This Trust Deed is also a financing statement and fixture filing and as such may be recorded in the real estate records of the county in which the Property is located. Trustor agrees that Beneficiary may file this Trust Deed, or a photocopy thereof, in any other jurisdiction or other appropriate index, as a financing statement for any of the items specified above as part of the Property or for any other purpose; in addition, Trustor agrees to execute and deliver to Beneficiary, upon Beneficiary's request, any other financing

statements, as well as extensions, renewals and amendments thereto, and reproductions of this Trust Deed in such form as Beneficiary may require to perfect a security interest with respect to said items. Upon Trustor's breach of any covenant or agreement of Trustor contained in this Trust Deed, or after the occurrence of an event of default under the Lease, including breach of the covenants to pay when due all sums secured by this Trust Deed, Beneficiary shall have the remedies of a secured party under the Uniform Commercial Code and other applicable law and, at Beneficiary's option, may also invoke the remedies provided in this Trust Deed as to such items. In exercising any of said remedies, Beneficiary may proceed against the items of real property and any items of personal property collateral specified above as part of the Property separately or together and in any order whatsoever without in any way affecting the availability of Beneficiary's remedies under the Uniform Commercial Code or of the remedies provided in this Trust Deed and without affecting the personal liability of Trustor under the obligations secured by this Trust Deed. Portions of the Property may constitute goods which are or are to become fixtures on or relating to the improvements constructed on the Property, and this Trust Deed is to be recorded in the real estate records of the county in which the Property is located. Trustor covenants and agrees that, from and after the time of the recording of this Trust Deed, this Trust Deed shall constitute a fixture filing under the Uniform Commercial Code. Information concerning the security interest created hereby may be obtained from Beneficiary. The legal description of the Property in this Trust Deed is the legal description of the real estate upon which any fixtures covered by this Trust Deed are or may be located, and the Trustor is the record owner of such Property, subject to the Landlord's reversionary rights under the Lease.

12. Beneficiary may appoint a successor trustee at any time by filing for record in the office of the county recorder of each county in which the Property or some part thereof is situated, a substitution of trustee. From the time the substitution is filed for record, the new trustee shall succeed without notice to all the powers, duties, authority and title of the trustee named herein or of any successor trustee.

13. The rights and remedies of Beneficiary under this Trust Deed are cumulative and are in addition to any other remedies provided by law or under the Lease. The exercise by Beneficiary of one right or remedy under this Trust Deed shall not constitute an election of remedies to the exclusion of other rights and remedies. Trustor hereby waives all claims that Beneficiary marshal assets of Trustor in collecting the indebtedness secured hereby. Trustor acknowledges and agrees that Trustor's execution and grant to Beneficiary of this Trust Deed does not and shall not in any way affect, negate, or restrict Beneficiary's rights and remedies under the Lease in the event of any default by Trustor under the Lease, and Beneficiary retains the right to exercise its rights and remedies as "Landlord" under the Lease in such circumstances. Trustor acknowledges that its obligations under this Lease, including its obligation to pay Rent and other amounts due under the Lease, is not secured solely by the Property described herein, or any other real property interest, and as such is not subject to the Utah "one action rule", and in the event of any default by Trustor under the Lease, the Beneficiary may at its sole option choose not to exercise remedies under this Trust Deed, and may instead rely upon and exercise its remedies pursuant to the Lease. This Trust Deed shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns.

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

15. This Trust Deed shall be construed according to the laws of the State of Utah.

16. Notwithstanding any provision herein or in the Lease, the total liability for payments in the nature of interest shall not exceed the limits that may be imposed by the applicable laws of the State of Utah.

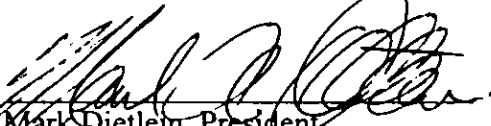
17. If any provision hereof should be held unenforceable or void, then such provision shall be deemed separable from the remaining provisions and shall in no way affect the validity of this Trust Deed or the rights of Beneficiary hereunder.

18. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address hereinbefore set forth.

19. Trustor shall not sell, convey, alienate, or further encumber the Property or any portion thereof without Beneficiary's prior written consent, which consent may be withheld in Beneficiary's sole discretion.

SIGNATURE OF TRUSTOR:

HALE CENTRE THEATRE, a Utah nonprofit corporation

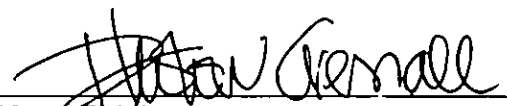
By 
Mark Dietlein, President

ACKNOWLEDGEMENT

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 28th day of February, 2023, by Mark Dietlein in his capacity as duly authorized President of the Hale Centre Theatre, a Utah nonprofit corporation.




Notary Public

My commission expires: 11/6/2026

Residing at: Sandy City

EXHIBIT "A"

Legal Description

The "Beehive Parcel" is a portion of Lot 103, Sandy Gardner Office Park Amended, according to the official plat thereof, filed and of record in the office of the Salt Lake County Recorder, and is more particularly described as follows:

Beginning at a point on the southerly boundary line of Lot 103 of the Sandy Gardner Office Park Amended, recorded as Entry No. 12753394 in Book 2018P at Page 166 in the Office of the Salt Lake County Recorder, said point being North 89°40'00" East 92.57 feet to a Salt Lake County survey monument in State Street and South 00°08'34" East 902.38 feet along the monument line in State Street and West 2,077.65 feet from the East Quarter Corner of Section 12, Township 3 South, Range 1 West, Salt Lake Base and Meridian; and running thence South 89°59'00" West 190.10 feet along said southerly boundary line to the Southwest Corner of said Lot 103; thence along the westerly boundary line of said Lot 103 the following three (3) courses:

(1) North 125.07 feet;

(2) East 124.00 feet;

(3) North 1.18 feet;

thence North 89°56'08" East 63.34 feet; thence South 00°11'13" East 30.36 feet; thence North 89°58'54" East 2.65 feet; thence South 95.91 feet to the point of beginning.

Contains 23,768 Square Feet or 0.546 Acres

4886-7721-8891 v. 5