

**After recording mail to:**

Phillip K. Watts  
250 East Beryl Avenue  
Salt Lake City, Utah 84115

Tax Parcel No.: 16-19-328-008

## **SECOND DEED OF TRUST**

THIS SECOND DEED OF TRUST ("Deed of Trust") is made this 21st day of March, 2025 among, **Phillip K. Watts, Trustee of the Phillip Watts Revocable Trust dated April 27, 2016**, whose address is 250 East Beryl Avenue, Salt Lake City, Utah 84115, ("Trustor"); **Shanna Ballard**, whose address is 9635 North 6530 West Highland, Utah 84003, and **Kevin Watts** whose address is PO Box 218, North Liberty, Iowa 52317 (collectively referred to below as "Beneficiary"); and, Terry Jessop & Bitner, a professional corporation, whose address is 311 South State Street, Suite 450, Salt Lake City, Utah 84111 (referred to below as "Trustee").

### **CONVEYANCE AND GRANT.**

For valuable consideration, Trustor irrevocably grants and conveys to Trustee in trust, with power of sale, for the benefit of Beneficiary, all of Trustor's right, title, and interest in and to the following described real property, together with all buildings, structures, fixtures and improvements now or hereafter located thereon, as well as all rights of way, easements, appurtenances and all other or greater rights and interests of every nature now or hereafter a part of the property described herein and in the possession or use thereof and income therefrom, whether now owned or subsequently acquired by Trustor, which property is located in Salt Lake County at 250 East Beryl Avenue, Salt Lake City, Utah, and is more fully described as follows (the "Real Property").

### **SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF**

Which real property is not used principally for agricultural or farming purposes. Trustor presently assigns to Beneficiary all of Trustor's right, title, and interest in and to the Real Property.

**DEFINITIONS.** The following words shall have the following meanings when used in this Deed of Trust. Terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

**Beneficiary.** The word "Beneficiary" means the Beneficiary named above and such Beneficiary's successors and assigns.

**Borrower.** The word "Borrower" refers to Phillip K. Watts, who is the Borrower under the Note.

**First Deed of Trust.** The term "First Deed of Trust" refers to that certain Deed of Trust dated April 30, 2012, between Phillip K. Watts as Borrower, Axiom Financial, LLC as Lender, and Integrated Title Insurance Services, LLC., as Trustee, which was recorded in the Official Records of Salt Lake County on May 1, 2012 as entry number 11382059.

**Guarantor.** The word "Guarantor" means and includes, without limitation, any and all guarantors, sureties, and accommodation parties, if any, in connection with the Note.

**Improvements.** The word "Improvements" means and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements, and other construction on the Real Property.

**Indebtedness.** The word "Indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by Beneficiary to discharge obligations of Trustor/Borrower or expenses incurred by Trustee or Beneficiary to enforce obligations of Trustor/Borrower under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust.

**Note.** The word "Note" means the Promissory Note dated the \_\_\_\_ day of March, 2025, **in the principal amount of Two Hundred Thousand and 00/100 Dollars (\$200,000.00)** from Phillip K. Watts as Borrower to the Beneficiary as Lender. Trustor is a Guarantor under the Note and Beneficiary has relied upon this security instrument from Trustor in agreeing to the Note, together with all advances, increases, renewals, extensions, modifications, refinancings, and substitutions for the Note.

**Property.** The word "Property" means Real Property.

**Real Property.** The words "Real Property" means the property, interests and rights described above in the "Conveyance and Grant" section.

**Related Documents.** The words "Related Documents" mean and include without limitation all loan agreements, Deed of Trust or promissory notes, agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in association with the Indebtedness.

**Deed of Trust.** The term Deed of Trust "Deed of Trust" means this Deed of Trust among Trustor, Beneficiary, and Trustee.

**Trustee.** The word "Trustee" means the Trustee named above and any substitute or successor trustees.

**Trustor.** The word "Trustor" means any and all persons and entities executing this Deed of Trust, including without limitation all Trustors named above.

THIS DEED OF TRUST, IS GIVEN TO SECURE (1) REPAYMENT OF THE INDEBTEDNESS EVIDENCED BY THE NOTE (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF TRUSTOR/BORROWER UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST AND (3) ANY OTHER UNPAID BALANCES WHETHER BY RENEWALS, EXTENSIONS, OR OTHERWISE OF ALL EXISTING INDEBTEDNESS AND ANY ADDITIONAL LOAN OR LOANS MADE BY BENEFICIARY TO TRUSTOR. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

**1. PAYMENT AND PERFORMANCE.**

- a. Except as otherwise provided in this Deed of Trust, Trustor shall pay to Beneficiary all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform

all of Trustor/Borrower's obligations under the Note, this Deed of Trust, the Related Documents, and any successive obligations of the Trustor/Borrower.

## **2. POSSESSION AND MAINTENANCE OF THE PROPERTY.**

Trustor agrees that Trustor's possession and use of the Property shall be governed by the following provisions:

a. **Guarantors of the Note.** Trustors are Guarantors under the Note but agree that they are primarily obligated for the performance of the Note, even if the Borrower under the Note is not in default.

b. **Possession and Use.** Until the occurrence of an Event of Default, Trustor may (1) remain in possession and control of the Property, (2) use, operate or manage the Property, and (3) collect any Rents from the Property. The following provisions relate to the use of the Property or to other limitations on the Property.

c. **Duty to Maintain.** Trustor shall maintain the Property in good condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

d. **Nuisance, Waste.** Trustor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property.

e. **Removal of Improvements.** Trustor shall not demolish or remove any improvements from the Real Property without the prior written consent of Beneficiary. As a condition to the removal of any improvements, Beneficiary may require Trustor to make arrangements satisfactory to Beneficiary to replace such improvements with improvements of at least equal value.

f. **Beneficiary's Right to Enter.** Subject to any leasehold interests and provided that Trustor receive ten (10) days advance written notice, Beneficiary and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Beneficiary's interests and to inspect the Property for purposes of Trustor's compliance with the terms and conditions of this Deed of Trust. Beneficiary's notice shall contain the day and approximate time that the inspection will occur so that Trustor can notify, if necessary, any tenants leasing the Property.

g. **Beneficiary's Right to Inspect Books and Records.** All Trustor's books and records pertaining to the Property, including tenant or leasehold income, expenses, maintenance, repairs, and improvements, shall be made available for inspection by Beneficiary during normal business hours after ten (10) days advance written notice. Trustor may only exercise this right once in any twelve (12) month period. Beneficiary's refusal to allow Trustor to exercise its right to inspect shall be considered an Event of Default.

h. **Compliance with Governmental Requirements.** Trustor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use of the Property. Trustor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Trustor has notified Beneficiary in writing prior to doing so and so long as, in Beneficiary's sole opinion, Beneficiary's interests in the Property are not jeopardized. Beneficiary may require Trustor to post adequate security or a surety bond, reasonably satisfactory to Beneficiary, to protect Beneficiary's interest.

## **3. DUTY TO PROTECT.**

Trustor agrees neither to abandon nor leave unattended the Property. Trustor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

#### **4. TAXES AND LIENS.**

a. **Payment.** Trustor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Trustor shall maintain the Property free of all liens having priority over or equal to the interest of Beneficiary under this Deed of Trust, except for (1) the lien of taxes and assessments not due, (2) the First Deed of Trust, and (3) as otherwise provided in this Deed of Trust.

b. **Right To Contest.** Trustor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Beneficiary's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Trustor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Trustor has notice of the filing, secure the discharge of the lien, or if requested by Beneficiary, deposit with Beneficiary cash or a sufficient corporate surety bond or other security satisfactory to Beneficiary in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Trustor shall defend itself and Beneficiary and shall satisfy any adverse judgment before enforcement against the Property. Trustor shall name Beneficiary as an additional obligee under any surety bond furnished in the contest proceedings.

c. **Evidence of Payment.** Trustor shall upon demand furnish to Beneficiary satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Beneficiary at any time a written statement of the taxes and assessments against the Property.

d. **Mechanics' liens.** Trustor shall keep the Property free and clear of all liens and claims of liens by contractors, subcontractors, mechanics, laborers, material men and other such Persons, and will cause any recorded statement of any such lien to be released of record within 30 days after the recording thereof. Notwithstanding the preceding sentence, however, Trustor will not be deemed to be in default under this section if and so long as Trustor (a) contests in good faith the validity or amount of any asserted lien and diligently prosecutes or defends an action appropriate to obtain a binding determination of the disputed matter, and (b) provides Beneficiary with such security as Beneficiary may require to protect Beneficiary against all loss, damage and expense, including attorneys' fees, that Beneficiary might incur if the asserted lien is determined to be valid. Trustor will indemnify Beneficiary against and hold Beneficiary harmless from any loss, damage or expense, including attorneys' fees and other litigation expenses, incurred by Beneficiary as a result of any default by Trustor under this section, and Trustor obligations under this sentence shall survive foreclosure of this Deed of Trust.

#### **5. PROPERTY DAMAGE INSURANCE.**

a. **Maintenance of Insurance.** Trustor shall procure and maintain policies of fire and extended casualty insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to

avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Beneficiary, together with such other hazard and liability insurance as Beneficiary may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Beneficiary and issued by a company or companies reasonably acceptable to Beneficiary. Trustor, upon request of Beneficiary, will deliver to Beneficiary from time to time the policies or certificates of insurance in form satisfactory to Beneficiary, including stipulations that coverages will not be canceled or diminished without at least ten (10) days' prior written notice to Beneficiary. Should the Real Property at any time become located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Trustor agrees to obtain and maintain Federal Flood Insurance to the extent such insurance is required by Beneficiary and is or becomes available, for the term of the loan and for the full unpaid principal balance of the loan, or the maximum limit of coverage that is available, whichever is less.

**b. Application of Proceeds.** Trustor shall promptly notify Beneficiary of any material loss or damage to the Property. Beneficiary may make proof of loss if Trustor fails to do so within fifteen (15) days of the casualty. Whether or not Beneficiary's security is impaired, Beneficiary may, at its election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Beneficiary elects to apply the proceeds to restoration and repair, Trustor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Beneficiary. Beneficiary shall, upon satisfactory proof of such expenditure, pay or reimburse Trustor from the proceeds for the reasonable cost of repair or restoration if Trustor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Beneficiary has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Beneficiary under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Beneficiary holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Trustor as Trustor's interests may appear.

## **6. EXPENDITURES BY BENEFICIARY.**

**a. Rights, Generally.** If Trustor fails to comply with any provision of this Deed of Trust, or if any action or proceeding is commenced that would materially affect Beneficiary's interests in the Property, Beneficiary on Trustor's behalf may, but shall not be required to, take any action that Beneficiary deems appropriate. Any amount that Beneficiary expends in so doing will bear interest at the rate charged under the Note from the date incurred or paid by Beneficiary to the date of repayment by Trustor. All such expenses, at Beneficiary's option, will (1) be payable on demand, (2) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (a) the term of any applicable insurance policy or (b) the remaining term of the Note, or (3) be treated as a balloon payment which will be due and payable at the Note's maturity. This Deed of Trust also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Beneficiary may be entitled on account of the default. Any such action by Beneficiary shall not be construed as curing the default so as to bar Beneficiary from any remedy that it otherwise would have had.

**b. Protection of Beneficiary's Security.** If the Trustor fails to perform the covenants and agreements contained in this Deed of Trust, or if a default occurs in a prior lien, or if any action or proceeding is commenced which materially affects Beneficiary's interest in the Property, then Beneficiary, at Beneficiary's option, with notice to Trustor if required by law, may make such appearances, disburse such sums and take such action as is necessary to protect Beneficiary's interest including entry upon the Property to make repairs. Any amounts disbursed by Beneficiary

pursuant to this paragraph 6.b, with interest thereon, shall become additional indebtedness of Trustor secured by this Deed of Trust. Such amounts shall be payable upon notice from Beneficiary to Trustor requesting payment thereof, and Beneficiary may bring suit to collect any amounts so disbursed. Nothing contained in this paragraph 6.b. shall require Beneficiary to incur any expense or take any action hereunder.

c. **Trustor's Right to Cure Default.** Whenever foreclosure is commenced for nonpayment of any sums due hereunder, Trustor shall be entitled to cure said defaults by paying all delinquent principal and interest payments due as of the date of cure, costs, expenses, late charges, attorney's fees and other fees all in the manner provided by law. Upon such payment, this Deed of Trust and obligations secured hereby shall remain in full force and effect as though no Acceleration had occurred, and the foreclosure proceedings shall be discontinued.

## **7. WARRANTY; DEFENSE OF TITLE.**

a. **Title.** Trustor warrants that: (1) Trustor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description, the First Deed of Trust or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Beneficiary in connection with this Deed of Trust, and (2) Trustor has the full right, power, and authority to execute and deliver this Deed of Trust to Beneficiary.

b. **Defense of Title.** Subject to the exception in the paragraph above, Trustor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Trustor's title or the interest of Trustee or Beneficiary under this Deed of Trust, Trustor shall defend the action at Trustor's expense. Trustor may be the nominal party in such proceeding, but Beneficiary shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Beneficiary's own choice, and Trustor will deliver, or cause to be delivered, to Beneficiary such instruments as Beneficiary may request from time to time to permit such participation.

c. **Compliance with Laws.** Trustor warrants that the Property and Trustor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

## **8. CONDEMNATION.**

a. **Application of Net Proceeds.** If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Beneficiary may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Beneficiary in connection with the condemnation.

b. **Proceedings.** If any proceeding in condemnation is filed, Trustor shall promptly notify Beneficiary in writing, and Trustor shall promptly take such steps as may be necessary to defend the action and obtain the award. Trustor may be the nominal party in such proceeding, but Beneficiary shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Trustor will deliver or cause to be delivered to Beneficiary such instruments as may be requested by it from time to time to permit such participation.

## **9. TRANSFER OF PROPERTY OR BENEFICIAL INTEREST.**

a. Upon the sale or transfer, without the Beneficiary's prior written consent, of all or any part of the Real Property, or any interest in the Real Property or in Trustor, Beneficiary may, at its option, declare immediately due and payable all sums secured by this Deed of Trust. A "sale or transfer" means the conveyance of Real Property or any right, title or interest therein or if the Trustor is not a natural person, then of any right title or interest in the Trustor; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, or by sale, assignment, or transfer of any beneficial interest in or to the Real Property, or by any other method of conveyance of Real Property interest. Notwithstanding anything herein to the contrary, Beneficiary hereby consents to a sale of any interest in the Real Property and/or Improvements between the parties who comprise the Trustor/borrower or their affiliates (i.e., entities having common control over a Trustor or over which a Trustor has control), provided such sale shall not in any way alter or diminish said parties' obligations under the Note.

#### **10. DEFAULT.**

Each of the following, at the option of Beneficiary, shall constitute an event of default ("Event of Default") under this Deed of Trust:

a. **Default on Indebtedness.** Failure of Trustor to make any payment within five (5) days of when due on any Indebtedness.

b. **Default on Other Payments.** Failure of Trustor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

c. **Compliance Default.** Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents. If such a failure is curable, it may be cured (and no Event of Default will have occurred) if Trustor, after Beneficiary sends written notice demanding cure of such failure, cures the failure within thirty (30) days. If a default occurs due to non-payment of an Installment, a written notice to cure is not required.

d. **Breaches.** Any warranty, representation or statement made or furnished to Beneficiary by or on behalf of Trustor under this Deed of Trust, the Note or the Related Documents is, or at the time made or furnished was, false in any material respect.

e. **Insolvency.** The insolvency of Trustor, appointment of a receiver for any part of Trustor's Property, any assignment for the benefit of creditors, the commencement of any proceeding under any bankruptcy or insolvency laws by or against Trustor, or the dissolution or termination of Trustor LLC existence as an entity.

f. **Foreclosure, Forfeiture, etc.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Trustor or by any governmental agency against any of the Property. However, this subsection shall not apply in the event of a good faith dispute by Trustor as to the validity or reasonableness of the claim which is the basis of the foreclosure or forfeiture proceeding, provided that Trustor gives Beneficiary written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Beneficiary.

g. **Events Affecting Trustor.** Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or such Guarantor dies or becomes incompetent; provided, however, that if Guarantor dies, Beneficiary will not declare default hereunder so long as a successor Guarantor,

reasonably acceptable to Beneficiary executes and delivers to Trustee and Beneficiary a substitute Guaranty in form and substance reasonably acceptable to Beneficiary within ten (10) business days of the death of the original Guarantor.

**h. Insecurity, Anticipatory Breach.** Beneficiary in its sole discretion may declare a default if objective reason(s) exists such that Beneficiary reasonably deems itself insecure, or if there is an unequivocal indication that the Borrower or any Guarantor will not perform obligations under the loan documents when performance is due, or in a situation in which future non-performance is inevitable.

## **11. RIGHTS AND REMEDIES ON DEFAULT.**

Upon the occurrence of any Event of Default and at any time thereafter, Trustee or Beneficiary, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

**a. Accelerate Indebtedness.** Beneficiary shall have the right at its option to declare the entire Indebtedness immediately due and payable.

**b. Foreclosure.**

- i. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by the Beneficiary or the person entitled thereto.
- ii. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the laws of the State of Utah, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.
- iii. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchaser and encumbrancers for value.
- iv. The power of sale conferred by this Deed of Trust and by the laws of the State of Utah is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.
- v. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in



which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

**c. Appoint Receiver.** Beneficiary shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. Trustor hereby waives any requirement that the receiver be impartial and disinterested as to all of the parties and agrees that employment by Beneficiary shall not disqualify a person from serving as a receiver.

**d. Other Remedies.** Trustee or Beneficiary shall have any other right or remedy provided in this Deed of Trust or the Note or by law.

## **12. WAIVER; ELECTION OF REMEDIES.**

A waiver by any party of a breach of a provision of this Deed of Trust shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Beneficiary to pursue any remedy provided in this Deed of Trust, the Note, in any Related Document, or provided by law shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Trustor under this Deed of Trust after failure of Trustor to perform shall not affect Beneficiary's right to declare a default and to exercise any of its remedies.

## **13. RIGHTS, POWERS, AND OBLIGATIONS OF TRUSTEE.**

a. Trustee shall have all of the rights and duties of Beneficiary as set forth in this section. Trustee shall meet all qualifications required for Trustee under applicable law. Beneficiary, at Beneficiary's option, may from time to time appoint a successor Trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Beneficiary and recorded in the office of the county recorder, State of Utah. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, or by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law. Except as required by applicable law, Trustee shall not be obligated to notify any other party of a pending sale under any other Deed of Trust or lien, or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party.

## **14. NOTICE.**

a. Unless otherwise provided by applicable law, any notice under this Deed of Trust or required by law shall be in writing and shall be effective when actually delivered in accordance with the law or with this Deed of Trust, or when deposited with a nationally recognized overnight courier, or, if mailed, shall be deemed effective when deposited in the United States mail first class, certified or registered mail, postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Beneficiary's address, as shown near the beginning of this Deed of Trust. For notice purposes, Trustor agrees to keep Beneficiary and Trustee informed at all times of Trustor's current address. Notwithstanding any other provisions of this Deed of Trust, all notices

given under the provisions of the Utah Code Annotated, as amended, shall be given as required therein.

## **15. MISCELLANEOUS PROVISIONS.**

a. **Amendments.** This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

b. **Applicable Law.** This Deed of Trust has been delivered to Beneficiary and accepted by Beneficiary in the State of Utah. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Utah.

c. **Attorneys' Fees; Expenses.** If Beneficiary institutes any suit or action to enforce any of the terms of this Deed of Trust, Beneficiary shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Beneficiary for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Beneficiary's reasonable attorneys' fees whether or not there is a lawsuit, including reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Trustor also will pay any court costs, in addition to all other sums provided by law.

d. **Caption Headings.** Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

e. **Merger.** There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Beneficiary in any capacity, without the written consent of Beneficiary.

f. **Severability.** If a court of competent jurisdiction finds any provision of this Deed of Trust to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Deed of Trust in all other respects shall remain valid and enforceable.

g. **Successors and Assigns.** Subject to the limitations stated in this Deed of Trust on transfer of Trustor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the property becomes vested in a person other than Trustor, Beneficiary, without notice to Trustor, may deal with Trustor's successors with reference to this Deed of Trust and the Indebtedness by way of forbearance or extension without releasing Trustor from the obligations of this Deed of Trust or liability under the Indebtedness.

h. **Time is of the Essence.** Time is of the essence in the performance of this Deed of Trust.


i. **Waivers and Consents.** Beneficiary shall not be deemed to have waived any rights under this Deed of Trust (or under the Related Documents) unless such waiver is in writing and signed by Beneficiary. No delay or omission on the part of Beneficiary in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Deed of Trust shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Beneficiary, nor any course of dealing between Beneficiary and Trustor, shall constitute a waiver of any of Beneficiary's rights or any of Trustor's obligations as to any future transactions. Whenever consent by Beneficiary is required in this Deed of Trust, the granting of such consent by Beneficiary in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

j. **Counterparts; Delivery.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. The delivery of an executed counterpart of this Agreement by facsimile or as a PDF or similar attachment to an e-mail shall constitute effective delivery of such counterpart for all purposes with the same force and effect as the delivery of an original, executed counterpart.

**[Remainder of page left blank to accommodate signatures]**

**TRUSTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND AGREES TO ITS TERMS.**

**TRUSTOR:**

  
\_\_\_\_\_  
**Phillip K. Watts**

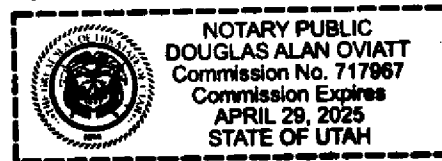
**ACKNOWLEDGMENT**

STATE OF UTAH                     )  
  ) ss.  
County of Salt Lake             )

On this 21st day of March, 2025, personally appeared before me, Phillip K. Watts, the signer of the foregoing instrument, who duly acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in the certificate first above written.

  
\_\_\_\_\_  
Notary Public



**Exhibit A**  
**Real Property Legal Description**

The real property referenced in the foregoing instrument is located in Salt Lake County, Utah and is more particularly described as follows:

Lots 35 and 36, Block 5, CENTRAL PARK, , according to the official Plat thereof on file and of record in the Salt Lake County Recorder's Office, State of Utah.

Together with ½ vacated alley on the South.

Parcel Identification No.16-19-328-008.