

14406669 B: 11584 P: 2006 Total Pages: 7
07/08/2025 09:34 AM By: vanguyen Fees: \$40.00
Rashelle Hobbs, Recorder, Salt Lake County, Utah
Return To: COTTONWOOD TITLE INSURANCE AGENCY, INC.
1996 EAST 6400 SOUTH SUITE 120 SALT LAKE CITY, UT 84121

When Recorded Return To:

Holland & Hart LLP
222 S. Main Street, Ste. 2200
Salt Lake City, Utah 84101
Attn: Brian Cheney

Tax Parcel No. 27-07-105-007

DEED OF TRUST

TRUSTOR: RW Block I Holdings, LLC, a Utah limited liability company

TRUSTOR'S MAILING ADDRESS: 4655 South 2300 East, Suite 205, Holladay, UT 84117

BENEFICIARY: Red Arches Investments, LLC, a Utah limited liability company

BENEFICIARY'S ADDRESS: 4073 Cumberland Dr. Salt Lake City, UT 84124

TRUSTEE: Cottonwood Title Insurance Agency, Inc., a Utah corporation

PROPERTY in Salt Lake County, State of Utah and more particularly described on Exhibit A attached hereto and incorporated herein ("Trust Property").

THIS DEED OF TRUST is made between the Trustor, Trustee and Beneficiary named above. Trustor irrevocably grants and conveys to Trustee in trust, with power of sale, the above-described real property and all buildings, improvements and fixtures located thereon or hereinafter erected thereon, together with the leases, rents, issues, profits, or income thereof, (all of which are hereinafter called "Property Income"); SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such Property Income; AND SUBJECT TO covenants, conditions, restrictions, rights-of-way, and easements of record.

THIS DEED OF TRUST IS MADE FOR THE PURPOSE OF SECURING:

(A) Performance of each agreement of Trustor herein contained. (B) Payment of the indebtedness evidenced by that certain Promissory Note, dated April 30, 2025 and any extension or renewal thereof, in the principal sum of \$3,472,000.00 executed by Trustor in favor of Beneficiary or order (the "Note"). (C) Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note(s) reciting that they are secured by this Deed of Trust.

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, subrents, issues, royalties, income, and profits of and from the Property. Until the occurrence of a default under the obligation secured hereby, Trustor may collect and use all such rents, subrents, issues, royalties, income, and profits which become payable prior to default. This Deed of Trust is subject to the *Utah Uniform Assignment of Rents Act, Utah Code Annotated* § 57-26-101 et seq. (the "Act"), and

Beneficiary shall have all rights and remedies available under the Act which rights and remedies shall be cumulative with all rights and remedies hereunder.

SECURITY AGREEMENT

Trustor hereby grants to Beneficiary, to secure the payment and performance in full of all of the obligations described above, a security interest in and so pledges and assigns to Beneficiary all of Trustor's personal property purchased from Beneficiary or which is from time to time, used on, located on or associated with the Property, including, without limitation, all equipment, goods, fixtures and general intangibles and all products, replacements, succession and proceeds of the foregoing. This Deed of Trust constitutes and shall be deemed to be a "security agreement" for all purposes of the Utah Uniform Commercial Code. Beneficiary shall be entitled to all the rights and remedies of a "secured party" under the Utah Uniform Commercial Code.

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

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; and do all other acts which from the character or use of said property may be reasonably necessary.

2. To provide, maintain, and deliver to Beneficiary fire insurance policies satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary, the entire amount collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default, notice of default and election to sell, or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and to pay all costs and expenses of Beneficiary and Trustee, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named and in any suit brought by Beneficiary to foreclose this Deed of Trust.

4. To pay before delinquent, all taxes and assessments affecting said property; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof which appear to be prior or superior hereto; all costs, fees and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance and all lawful charges, costs and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured, hereby.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from the date of expenditure at the highest rate as is provided for in the note secured by this Deed of Trust. Any amounts so paid by Beneficiary or Trustee shall become part of the debt secured by this Deed of Trust and a lien on said premises or shall become immediately due and payable at option of Beneficiary or Trustee.

IT IS MUTUALLY AGREED:

6. That any award of damages in connection with any condemnation, or any such taking, or for injury to the property by reason of public use or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor, however, the right to sue therefor and for the ownership thereof subject to this Deed of Trust), and, upon receipt of such moneys, Beneficiary may hold the same as such further security or apply or release the same in the same manner and with the same effect as above-provided for disposition of proceeds of fire or other insurance.

7. That should Trustor fail to make any payment required hereunder or to do any act as herein provided or required, then Beneficiary or Trustee, without 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 said property for such purposes; 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 prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel, and pay counsel's reasonable fees, and add any amounts paid to the outstanding obligation secured hereby.

8. That time is of the essence of this Deed of Trust, and that by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

9. That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note(s) for endorsement, without liability therefor, without affecting the personal liability of any person for payment of the indebtedness secured hereby, without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto and without the necessity that any sum representing the value or any portion thereof of the property affected by the Trustee's action be credited on the indebtedness, the Trustee may: (a) release and reconvey all or any part of said property; (b) consent to the making and recording, or either, of any map or plat of the property or any part thereof; (c) join in granting any easement thereon; and (d) join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance or charge hereof.

10. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said note(s) to Trustee for cancellation, and upon payment of its fees, Trustee shall release and reconvey, without covenant or warranty, express or implied, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

11. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of this Trust, to collect the Property Income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such Property Income as it becomes due and payable. Upon any such default, Beneficiary may at any time, without notice, either in person, by agent or by a receiver to be appointed by a court exercise all rights under the Utah Uniform Commercial Real Estate Receivership Act, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, sue for or otherwise collect such Property Income in his own name, including that past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured

hereby and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such Property Income and the application thereof as aforesaid, shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

12. That upon default by Trustor in the payment of any indebtedness or obligations secured hereby or in performance of any agreement hereunder, Beneficiary shall have all rights at law and in equity including, without limitation, all rights under *Utah Code Annotated* Title 57. Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustor of written notice thereof, setting forth the nature thereof, and of election to cause to be sold said property under this Deed of Trust.

Trustee shall record and give notice of Trustee's sale and shall sell the property at public auction, all in the manner required by law. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale. Beneficiary shall have the right to credit against such bid all amounts permitted by Utah law. Trustee shall deliver to such purchaser its Deed conveying the property so sold, but without any covenant or warranty, express or implied. Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to Trustor at its address hereintofore set forth.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees, Trustee shall apply the proceeds of sale in the manner provided by *Utah Code Annotated* § 57-1-29. Trustor agrees to pay any deficiency arising from any cause, to which Beneficiary may be entitled after applications of the proceeds of any sale, any Beneficiary may commence suit to collect such deficiency in accordance with *Utah Code Annotated* § 57-1-32 or other applicable law.

In lieu of sale, pursuant to the power of sale conferred hereby, this Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. Beneficiary shall also have all other rights and remedies available to it hereunder and at law or in equity. All rights and remedies shall be cumulative.

It is the express understanding and intent of the parties that as to any personal property interests subject to Article 9a of the Utah Uniform Commercial Code, Beneficiary, upon default, may proceed under the Utah Uniform Commercial Code or may proceed as to both real and personal property interests in accordance with the provisions of this Deed of Trust and its rights and remedies in respect of real property, and treat both real and personal property interests as one parcel or package of security as permitted by *Utah Code Annotated* § 70A-9a-601 or other applicable law, and further may sell any shares of corporate stock evidencing water rights in accordance with *Utah Code Annotated* § 57-1-30 or other applicable law.

For purposes of *Utah Code Annotated* § 57-1-28, Trustor agrees that all default interest, late charges, any prepayment premium, swap contract breakage fees and similar amounts, if any, owing from time to time under the Note shall constitute a part of and be entitled to the benefits of Beneficiary's Deed of Trust lien upon the Trust Property, and (ii) Beneficiary may add all default interest, late charges, any prepayment premium, swap contract breakage fees and similar amounts owing from time to time under the Note to the principal balance of the Note, and in either case Beneficiary may include the amount of all unpaid late charges in any credit bid Beneficiary may make at a foreclosure sale of the Trust Property pursuant to this Deed of Trust.

In the event of any amendment to the provisions of *Utah Code Annotated* Title 57 or other provisions of *Utah Code Annotated* referenced in this Deed of Trust, this Deed of Trust shall, at the sole election of Beneficiary, be deemed amended to be consistent with such amendments or Beneficiary may elect not to give effect to such deemed amendments hereto if permitted by applicable law.

13. That Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor. Beneficiary may appoint a successor Trustee in the manner prescribed by law. A successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers and duties.

14. The term Beneficiary shall mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural.

15. That 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 a pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

16. That the trust relationship created by this Deed of Trust is limited solely to the creation and enforcement of a security interest in real property. All of Trustee's duties, whether fiduciary or otherwise, are strictly limited to those duties imposed by this instrument and applicable Utah law, inclusive, and no additional duties, burdens or responsibilities are or shall be placed on Trustee.

17. That this Deed of Trust applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns.

18. That 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.

19. That in the event the Trustor shall either sell, convey, alienate, hypothecate, pledge or encumber the Property, or any part thereof, or any interest therein (except in favor of Beneficiary), without the express written permission of Beneficiary first had and obtained or be divested of title in any manner, whether voluntarily or involuntarily, then all obligations secured by this Deed of Trust, irrespective of the maturity date, at the option of Beneficiary and without demand or notice, shall immediately become due and payable.

20. That Trustor shall indemnify 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, 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. 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.

WITNESS my hand this 7th day of May, 2025.

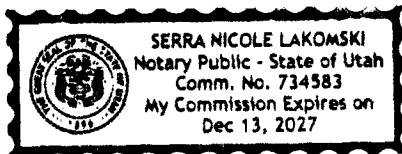
TRUSTOR:

RW BLOCK I HOLDINGS, LLC
a Utah limited liability company

By: 
Name: Thomas R. Henriod
Title: Manager

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

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me, a Notary Public, by
Thomas R. Henriod, as Manager of RW Block I Holdings, LLC this 7th day of May, 2025.



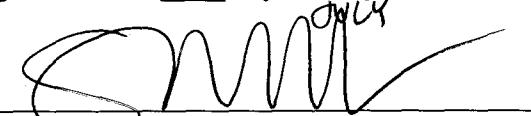

NOTARY PUBLIC

EXHIBIT A

Description of Real Property

That certain real property located in Salt Lake County, State of Utah, and more particularly described as:

Commencing 587.4 feet East and 488.4 feet South from the Northwest corner of Section 7, Township 2 South, Range 1 East, Salt Lake Base and Meridian; thence East 184.9 feet; thence South 100 feet; thence North 87°44' West 186.07 feet; thence North 90 feet to the point of beginning.

TOGETHER WITH a non-exclusive easement for access over and across the following described property:

Beginning at a point on a fence line on the Grantors' North property line, said point being North 11.3 chains, more or less, and South 84°00' East 470.4 feet and North 101.0 feet from the Southwest corner of Lot 1, Section 7, Township 2 South, Range 1 East, Salt Lake Base and Meridian, and running thence North 88°15' East 117 feet along said fence and property line to the Northeast corner of Grantors' property; thence South 24.0 feet; thence South 88°15' West 117 feet to the Grantors' West property line; thence North 24.0 feet to the point of beginning.