

Trust Deed Page 1 of 13
Russell Shirts Washington County Recorder
07/17/2020 01:48:26 PM Fee \$40.00 By
VANGUARD TITLE INSURANCE AGENCY, LLC -
ST. GEORGE 1

When recorded, return to:
Countrywide Investments LLC
19337 E Pine Valley Dr.,
Queen Creek, AZ 85142

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

Date: July 16, 2020

Name and Address of Trustors: **Chad Daugherty and Cassandra Daugherty,
husband and wife, as joint tenants**
1212 Heritage Circle
Alpine UT 84004

Name and Address of Trustee: **Old Republic National Title Insurance Company**
400 Second Avenue South
Minneapolis, MN 55401

Name and Address of Beneficiary: **Countrywide Investments LLC,
an Arizona Limited Liability Company**
19337 E Pine Valley Dr.
Queen Creek, AZ 85142

ARTICLE 1. GRANT IN TRUST

1.1 **Grant.** For the purposes of and upon the terms and conditions in this Deed of Trust, Trustors irrevocably grants, conveys and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all of that real property located in the County of Washington, State of UTAH, described on Exhibit A attached hereto, together with all buildings and other improvements, fixtures and equipment now or hereafter located on the real property, all right, title, interest, and privileges of Trustors in and to all streets, roads, and alleys used in connection with or pertaining to such real property, all water and water rights, minerals, oil and gas, and other hydrocarbon substances in, on or under the real property, all appurtenances, easements, rights and rights of way appurtenant or related thereto, and all air rights, development rights and credits, licenses and permits related to the real property. All interest or estate which Trustors may hereafter acquire in the property described above, and all additions and accretions thereto, and the proceeds of any of the foregoing, are collectively referred to herein as the "Property". The listing of specific rights or property shall not be interpreted as a limit of general terms.

1.2 **Warranty of Title.** Trustors warrants that it is the sole owner of good and marketable unencumbered fee simple title to the Property, subject only to those exceptions approved by Beneficiary in writing.

ARTICLE 2. OBLIGATIONS SECURED

2.1 **Obligations Secured.** Trustors makes this Deed of Trust for the purpose of securing: (a) the performance of the obligations contained herein and in that certain letter agreement dated July 16, 2020, to which Trustors and Beneficiary are parties ("Letter Agreement"); (b) the payment of Two Hundred Seventy-Five Thousand Dollars and Zero Cents (\$275,000.00), with interest thereon, according to the terms of that certain Promissory Note dated concurrent herewith ("Note"), executed by Trustors, as maker, and payable to Beneficiary, as lender; (c) any and all extensions, renewals, or modifications of the Note and Letter Agreement, whether the same be in greater or lesser amounts; and (d) payment and performance of any future advances and other obligations that the then record owner of all or part of the Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when such future advance or obligation is evidenced by a writing which recites that it is secured by this Deed of Trust (collectively, the "Secured Obligations").

2.2 **Incorporation.** The term "obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges (if any), and late charges at any time accruing or assessed on any of the Secured Obligations, together with all costs of collecting the Secured Obligations. All terms of the Secured Obligations and the documents evidencing such obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Property shall be deemed to have notice of the terms of the Secured Obligations and that the rate of interest on one or more Secured Obligations may vary from time to time.

ARTICLE 3. ASSIGNMENT OF LEASES AND RENTS

3.1 **Assignment.** Trustors hereby irrevocably assigns to Beneficiary all of Trustor's right, title and interest in, to and under: (a) all present and future leases of the Property or any portion thereof, all licenses and agreements relating to the management, leasing, occupancy or operation of the Property, whether such leases, licenses and agreements are now existing or entered into after the date hereof ("Leases"); and (b) the rents, issues, revenues, receipts, deposits and profits of the Property, including, without limitation, all amounts payable and all rights and benefits accruing to Trustors under the Leases ("Payments"). The term "Leases" shall also include all subleases and other agreements for the use or occupancy of the Property, all guarantees of and security for the tenant's performance thereunder, the right to exercise any landlord's liens and other remedies to which the landlord is entitled, and all amendments, extensions, renewals or modifications thereto. This is a present and absolute assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Payments is not contingent, upon and may be exercised without, possession of the Property.

3.2 **Grant of License.** Beneficiary confers upon Trustors a revocable license ("License") to collect and retain the Payments as they become due and payable, until the occurrence of a Default (as hereinafter defined). Upon a Default, the License shall be automatically revoked and Beneficiary may collect and apply the Payments pursuant to the terms hereof without notice and without taking possession of the Property. All payments thereafter collected by Trustors shall be held by Trustors as trustee under a constructive trust for the benefit of Beneficiary. Trustors hereby irrevocably authorizes and directs the tenants under the Leases to rely upon and comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rentals or other sums which may at any time become due under the Leases,

or for the performance of any of the tenants' undertakings under the Leases, and the tenants shall have no duty to inquire as to whether any Default has actually occurred or is then existing. Trustors hereby relieves the tenants from any liability to Trustors by reason of relying upon and complying with any such notice or demand by Beneficiary. Beneficiary may apply, in its sole discretion, any Payments so collected by Beneficiary against any Secured Obligation, whether existing on the date hereof or hereafter arising. Collection of any Payments by Beneficiary shall not cure or waive any Default or notice of Default or invalidate any acts done pursuant to such notice.

3.3 Effective of Assignment. The foregoing irrevocable assignment shall not cause Beneficiary to be: (a) a mortgagee in possession; (b) responsible or liable for the control, care, management or repair of the Property or for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; (c) responsible or liable for any waste committed on the Property by the tenants under any of the Leases or any other parties, for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee, invitee or other person; (d) responsible for or under any duty to produce rents or profits; or (e) directly or indirectly liable to Trustors or any other person as a consequence of the exercise or failure to exercise any of the rights, remedies or powers granted to Beneficiary hereunder or to perform or discharge any obligation, duty or liability of Trustors arising under the Leases.

ARTICLE 4. SECURITY AGREEMENT AND FIXTURE FILING

4.1 Security Interest. Trustors hereby grants and assigns to Beneficiary a security interest, to secure payment and performance of all of the Secured Obligations, in all of the following described personal property in which Trustors now or at any time hereafter has any interest (collectively, the "Collateral"):

All goods, building and other materials, supplies, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property and embedded software therein, wherever situated, which are or are to be incorporated into, or appropriated for use on the Property; together with all rents (to the extent, if any, they are not real property); all inventory, accounts, cash receipts, deposit accounts, accounts receivable, contract rights, licenses, agreements, general intangibles, chattel paper (whether electronic or tangible), instruments, documents, promissory notes, drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, any other rights to the payment of money; all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any governmental entity with respect to the Property; all deposits or other security now or hereafter made with or given to utility companies by Trustors with respect to the Property; all advance payments of insurance premiums made by Trustors with respect to the Property; all plans, drawings and specifications relating to the Property; all reserves, deferred payments, deposits, accounts, refunds, cost savings and payments of any kind related to the Property or any portion thereof; together with all replacements and proceeds of, and additions and accessions to, any of the foregoing; together with all books, records and files relating to any of the foregoing.

As to all of the above described personal property which is or which hereafter becomes a "fixture" under applicable law, this Deed of Trust constitutes a fixture filing under the Utah Uniform Commercial Code, as amended or recodified from time to time ("UCC").

4.2 **Rights of Beneficiary.** Upon the occurrence of a Default, Beneficiary shall have all the rights of a "Secured Party" under the UCC. In addition to such rights, Beneficiary may, but shall not be obligated to, at any time without notice and at the expense of Trustors: (a) give notice to any person of Beneficiary's rights hereunder and enforce such rights at law or in equity; (b) insure, protect, defend and preserve the Collateral or any rights or interests of Beneficiary therein; (c) inspect the Collateral; and (d) endorse, collect and receive any right to payment of money owing to Trustors under or from the Collateral. Beneficiary may: (i) upon written notice, require Trustors to assemble any or all of the Collateral and make it available to Beneficiary at a place designated by Beneficiary; (ii) without prior notice, enter upon the Property or other place where any of the Collateral may be located and take possession of, collect, sell, and dispose of any or all of the Collateral, and store the same at locations acceptable to Beneficiary at Trustor's expense; and/or (iii) sell, assign and deliver at any place or in any lawful manner all or any part of the Collateral and bid and become the purchaser at any such sales. Notwithstanding the above, in no event shall Beneficiary be deemed to have accepted any property other than cash in satisfaction of any obligation of Trustors to Beneficiary unless Beneficiary shall make an express written election of said remedy under the UCC or other applicable law.

Trustors acknowledges and agrees that a disposition of the Collateral in accordance with Beneficiary's rights and remedies as heretofore provided is a disposition thereof in a commercially reasonable manner and that ten days prior notice of such disposition is commercially reasonable notice. Trustors further agrees that any sale or other disposition of all or any portion of the Collateral may be applied by Beneficiary first to the reasonable expenses in connection therewith, including reasonable attorneys' fees and disbursements, and then to the payment of the Secured Obligations.

4.3 **Representations, Warranties, Covenants.** Trustors represents and warrants that: (a) Trustor's principal place of business is located at the address set forth on the first page hereof; and (b) Trustor's legal name is exactly as set forth on the first page hereof and all of Trustor's organizational documents or agreements delivered to Beneficiary are complete and accurate in every respect. Trustors agrees: (a) not to change its name, and as applicable, its chief executive office, its principal residence or the jurisdiction in which it is organized and/or registered without giving Beneficiary 30 days prior written notice thereof; (b) to cooperate with Beneficiary in perfecting all security interests granted herein and in obtaining such agreements from third parties as Beneficiary deems necessary, proper or convenient in connection with the creation, preservation, perfection, priority or enforcement of any of its rights hereunder; and (c) that Beneficiary is authorized to file financing statements in the name of Trustors to perfect Beneficiary's security interest in the Collateral.

ARTICLE 5. RIGHTS AND DUTIES OF THE PARTIES

5.1 **Performance of Secured Obligations.** Trustors shall promptly pay and perform each Secured Obligation when due. If Trustors fails to timely pay or perform any portion of the Secured Obligations (including taxes, assessments and insurance premiums), or if a legal proceeding is commenced that may significantly affect Beneficiary's rights in the Property,

then Beneficiary may (but is not obligated to), at Trustor's expense, take such action as it considers to be necessary to protect the value of the Property and Beneficiary's rights in the Property, including the retaining of counsel, and any amount so expended by Beneficiary will be added to the Secured Obligations and will be payable by Trustors to Beneficiary on demand, together with interest thereon from the date of advance until paid at the default rate provided in the Note.

5.2 **Taxes and Assessments.** Trustors shall also pay prior to delinquency all taxes, assessments, levies and charges imposed upon the Property by any public authority or upon Beneficiary by reason of its interest in any Secured Obligation or in the Property, or by reason of any payment made to Beneficiary pursuant to any Secured Obligation; provided, however, Trustors shall have no obligation to pay taxes which may be imposed from time to time upon Beneficiary and which are measured by and imposed upon Beneficiary's net income.

5.3 **Liens, Encumbrances and Charges.** Trustors shall immediately discharge any lien not approved by Beneficiary in writing that has or may attain priority over this Deed of Trust.

5.4 **Due on Sale or Encumbrance.** If the Property or any interest therein shall be sold, transferred, including, without limitation, through sale or transfer, directly or indirectly, of a majority or controlling interest in the corporate stock, partnership interests, or limited liability company membership interests of Trustors or managing member or general partner of Trustors, mortgaged, assigned, further encumbered or leased, whether directly or indirectly, whether voluntarily, involuntarily or by operation of law, without the prior written consent of Beneficiary, then Beneficiary, in its sole discretion, may at anytime thereafter declare all Secured Obligations immediately due and payable.

5.5 **Damages, Insurance and Condemnation Proceeds.** The following (whether now existing or hereafter arising) are all absolutely and irrevocably assigned by Trustors to Beneficiary and, at the request of Beneficiary, shall be paid directly to Beneficiary: (i) all awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Property or Collateral; (ii) all other claims and awards for damages to, or decrease in value of, all or any part of, or any interest in, the Property or Collateral; (iii) all proceeds of any insurance policies payable by reason of loss sustained to all or any part of the Property or Collateral; and (iv) all interest which may accrue on any of the foregoing. Subject to applicable law, and without regard to any requirement contained in this Deed of Trust, Beneficiary may at its discretion apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any claim and may apply the balance to the Secured Obligations in any order acceptable to Beneficiary, and/or Beneficiary may release all or any part of the proceeds to Trustors upon any conditions Beneficiary may impose. Beneficiary may commence, appear in, defend or prosecute any assigned claim or action and may adjust, compromise, settle and collect all claims and awards assigned to Beneficiary; provided, however, in no event shall Beneficiary be responsible for any failure to collect any claim or award, regardless of the cause of the failure, including, without limitation, any malfeasance or nonfeasance by Beneficiary or its employees or agents.

5.6 **Defense and Notice of Claims.** At Trustor's sole expense, Trustors shall protect, preserve and defend the Property and Collateral and title to and right of possession of the Property and Collateral, the security hereof and the rights and powers of Beneficiary and

Trustee hereunder against all adverse claims. Trustors shall give Beneficiary and Trustee prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding, of any material damage to the Property or Collateral and of any condemnation offer or action.

5.7 **Compensation, Exculpation, Indemnification.** Trustors shall pay all Trustee's fees and reimburse Trustee immediately upon demand for expenses in the administration of this trust, including attorneys' fees. Beneficiary shall not directly or indirectly be liable to Trustors or any other person as a consequence of (i) the exercise or non-exercise of the rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) the failure or refusal of Beneficiary to perform or discharge any obligation or liability of Trustors under any agreement related to the Property or under this Deed of Trust; or (iii) any loss sustained by Trustors or any third party resulting from Beneficiary's failure (whether by malfeasance, nonfeasance or refusal to act) or any other act or omission (regardless of whether same constitutes negligence) of Beneficiary in managing the Property after a Default unless the loss is caused by the gross negligence or willful misconduct of Beneficiary and no such liability shall be asserted against or imposed upon Beneficiary, and all such liability is hereby expressly waived and released by Trustors.

TRUSTORS AGREES TO INDEMNIFY TRUSTEE AND BENEFICIARY AGAINST, AND HOLD TRUSTEE AND BENEFICIARY HARMLESS FOR, FROM, AND AGAINST ALL LOSSES, DAMAGES, LIABILITIES, CLAIMS, CAUSES OF ACTION, JUDGMENTS, COURT COSTS, ATTORNEYS' FEES AND OTHER LEGAL EXPENSES, COST OF EVIDENCE OF TITLE, COST OF EVIDENCE OF VALUE, AND OTHER EXPENSES WHICH EITHER MAY SUFFER OR INCUR: (i) BY REASON OF THE PERFORMANCE OF ANY ACT BY TRUSTORS REQUIRED OR PERMITTED HEREUNDER OR BY LAW; (ii) AS A RESULT OF ANY FAILURE OF TRUSTORS TO PERFORM TRUSTORS'S OBLIGATIONS; OR (iii) BY REASON OF ANY ALLEGED OBLIGATION OR UNDERTAKING ON BENEFICIARY'S PART TO PERFORM OR DISCHARGE ANY OF THE REPRESENTATIONS, WARRANTIES, CONDITIONS, COVENANTS OR OTHER OBLIGATIONS CONTAINED IN ANY OTHER DOCUMENT RELATED TO THE PROPERTY. The above obligation of Trustors to indemnify and hold harmless Trustee and Beneficiary shall survive the release and cancellation of the Secured Obligations and the release or partial release of the lien of this Deed of Trust.

5.8 **Substitution of Trustee.** Trustee may resign at any time by giving notice thereof to Beneficiary as provided by law. Beneficiary may, from time to time, by instrument in writing, substitute a successor to any Trustee named herein or acting hereunder in the manner provided by law. Such writing, upon recordation, shall be conclusive proof of proper substitution of such successor Trustee, who shall, without conveyance from the predecessor Trustee, succeed to all its title.

5.9 **Releases, Extensions, Modifications.** Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Property or in any manner obligated under the Secured Obligations ("Interested Parties"), Beneficiary may, from time to time, release any person or entity from liability for the payment or performance of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation, or accept additional security or release all or a portion of the Property and other security for the Secured Obligations. None of the foregoing actions shall release or reduce the personal liability of any

of said Interested Parties, or release or impair the priority of the lien of and security interests created by this Deed of Trust upon the Property and Collateral.

5.10 **Subrogation.** Beneficiary shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Beneficiary pursuant to this Deed of Trust or by the proceeds of any loan secured by this Deed of Trust.

5.11 **Right of Inspection.** Beneficiary, its agents and employees, may enter the Property at any reasonable time for the purpose of inspecting the Property and Collateral and ascertaining Trustors's compliance with the terms hereof.

ARTICLE 6. DEFAULT PROVISIONS

6.1 **Default.** For all purposes hereof, the term "Default" shall mean any default under the Note, the Letter Agreement, or this Deed of Trust.

6.2 **Rights and Remedies.** At any time after Default, Beneficiary and/or Trustee shall each have all the following rights and remedies:

(a) With or without notice, to declare all Secured Obligations immediately due and payable;

(b) With or without notice, and without releasing Trustors from any Secured Obligation, and without becoming a mortgagee in possession, to cure any breach or Default of Trustors and, in connection therewith, to enter upon the Property and do such acts and things as Beneficiary or Trustee deem necessary or desirable to protect the security hereof, including, without limitation: (i) to appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee under this Deed of Trust; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the sole judgment of either Beneficiary or Trustee, is or may be senior in priority to this Deed of Trust, the judgment of Beneficiary or Trustee being conclusive as between the parties hereto; (iii) to obtain insurance and to pay any premiums or charges with respect to insurance required to be carried under this Deed of Trust; or (iv) to employ counsel, accountants, contractors and other appropriate persons;

(c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Trustors hereunder, and Trustors agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under this subparagraph, Trustors waives the defense of laches and any applicable statute of limitations;

(d) To apply to a court of competent jurisdiction for and to obtain appointment of a receiver of the Property as a matter of strict right and without regard to the adequacy of the security for the repayment of the Secured Obligations, the existence of a declaration that the Secured Obligations are immediately due and payable, or the filing of a notice of default, and Trustors hereby consents to such appointment;

(e) To enter upon, possess, manage and operate the Property or any part thereof;

(f) To cause the Property to be sold by Trustee to satisfy the Secured Obligations through the exercise of the non-judicial power of sale granted herein. Except as required by law, neither Trustors nor any other person or entity other than Beneficiary shall have the right to direct the order in which the Property is sold;

(g) To resort to and realize upon the security hereunder and any other security now or later held by Beneficiary concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both; and

Upon sale of the Property at any judicial or non-judicial foreclosure, Beneficiary may credit bid (as determined by Beneficiary in its sole and absolute discretion) all or any portion of the Secured Obligations. In determining such credit bid, Beneficiary may, but is not obligated to, take into account all or any of the following: (i) appraisals of the Property as such appraisals may be discounted or adjusted by Beneficiary in its sole and absolute discretion; (ii) expenses and costs incurred by Beneficiary with respect to the Property prior to foreclosure; (iii) expenses and costs which Beneficiary anticipates will be incurred with respect to the Property after foreclosure, but prior to resale, including, without limitation, the costs of any structural reports, hazardous waste reports or any remediation costs related thereto; (iv) anticipated discounts upon resale of the Property as a distressed or foreclosed property; and (v) such other factors or matters that Beneficiary deems appropriate. In regard to the above, Trustors acknowledges and agrees that: (w) Beneficiary is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (x) this Section does not impose upon Beneficiary any additional obligations that are not imposed by law at the time the credit bid is made; and (y) (z) Beneficiary's credit bid may be higher or lower than any appraised value of the Property.

6.3 Application of Foreclosure Proceeds. Except as may otherwise be required by applicable law, after deducting all costs, fees and expenses of Trustee, and of this trust, including, without limitation, cost of evidence of title and attorneys' fees in connection with sale and costs and expenses of sale and of any judicial proceeding wherein such sale may be made, all proceeds of any foreclosure sale shall be applied: (a) to payment of all sums expended by Beneficiary under the terms hereof and not then repaid, with accrued interest at the rate of interest specified in the Note to be applicable on or after maturity or acceleration of the Note; (b) to payment of all other Secured Obligations; and (c) the remainder, if any, to the person or persons legally entitled thereto.

6.4 Application of Other Sums. All sums received by Beneficiary under this Deed of Trust other than those described in Section 6.3, less all costs and expenses incurred by Beneficiary or any receiver, including, without limitation, attorneys' fees, shall be applied in payment of the Secured Obligations in such order as Beneficiary shall determine in its sole discretion; provided, however, Beneficiary shall have no liability for funds not actually received by Beneficiary.

6.5 No Cure or Waiver. Neither Beneficiary's nor Trustee's nor any receiver's entry upon and taking possession of all or any part of the Property and Collateral, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise or failure to exercise of any other right or remedy by

Beneficiary or Trustee or any receiver, shall cure or waive any breach, Default or notice of Default under this Deed of Trust, or nullify the effect of any notice of Default or sale (unless all Secured Obligations then due have been paid and performed and Trustors has cured all other Defaults), or impair the status of the security, or prejudice Beneficiary or Trustee in the exercise of any right or remedy, or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of, or security interests created by, this Deed of Trust.

6.6 Payment of Costs, Expenses and Attorneys' Fees. Trustors agree to pay to Beneficiary immediately and upon demand all costs and expenses incurred by Trustee and Beneficiary pursuant to this Article 6 (including, without limitation, court costs and attorneys' fees, whether incurred in litigation, including, without limitation, at trial, on appeal or in any bankruptcy or other proceeding, and the costs of any appraisals obtained in connection with a determination of the fair value of the Property). In addition, Trustors will pay a reasonable fee for title searches, sale guarantees, publication costs, appraisal reports or environmental assessments made in preparation for and in the conduct of any such proceedings or suit, and shall pay to Trustee all Trustee's fees hereunder and shall reimburse Trustee for all expenses incurred in the administration of this trust, including, without limitation, any attorneys' fees. All of the foregoing amounts must be paid to Beneficiary as part of any reinstatement tendered hereunder.

6.7 Power to File Notices and Cure Defaults. Trustors hereby irrevocably appoints Beneficiary and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, to prepare, execute and file or record any document necessary to create, perfect or preserve Beneficiary's security interests and rights in or to any of the Property and Collateral, and upon the occurrence of an event, act or omission which, with notice or passage of time or both, would constitute a Default, Beneficiary may perform any obligation of Trustors hereunder.

6.8 Remedies Cumulative. All rights and remedies of Beneficiary and Trustee provided hereunder are cumulative and are in addition to all rights and remedies provided by applicable law (including specifically that of foreclosure of this instrument as though it were a mortgage) or in any other agreements between Trustors and Beneficiary. No failure on the part of Beneficiary to exercise any of its rights hereunder arising upon any Default shall be construed to prejudice its rights upon the occurrence of any other or subsequent Default. No delay on the part of Beneficiary in exercising any such rights shall be construed to preclude it from the exercise thereof at any time while that Default is continuing. Beneficiary may enforce any one or more remedies or rights hereunder successively or concurrently. By accepting payment or performance of any of the Secured Obligations after its due date, Beneficiary shall not waive the agreement contained herein that time is of the essence, nor shall Beneficiary waive either its right to require prompt payment or performance when due of the remainder of the Secured Obligations or its right to consider the failure to so pay or perform a Default.

ARTICLE 7. MISCELLANEOUS PROVISIONS

7.1 Attorneys' Fees. If the Note is placed with an attorney for collection or if an attorney is engaged by Beneficiary to exercise rights or remedies or otherwise take actions to collect thereunder or under the Note or other loan documents, or if suit be instituted for collection, enforcement of rights and remedies, then in all events, Trustors agrees to pay all reasonable

costs of collection, exercise of remedies or rights or other assertion of claims, including, but not limited to, reasonable attorneys' fees, whether or not court proceedings are instituted, and, where instituted, whether in district court, appellate court, or bankruptcy court.

7.2 **No Waiver.** No previous waiver and no failure or delay by Beneficiary in acting with respect to the terms of the Note, the Letter Agreement or the Deed of Trust shall constitute a waiver of any breach, default, or failure of condition under the Note, the Letter Agreement, the Deed of Trust or the obligations secured thereby. A waiver of any term thereof or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

7.3 **Merger.** No merger shall occur as a result of Beneficiary's acquiring any other estate in, or any other lien on, the Property unless Beneficiary consents to a merger in writing.

7.4 **Successors In Interest.** The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto; provided, however, that this Section does not waive or modify the provisions of the Section above titled "Due on Sale or Encumbrance".

7.5 **Governing Law.** This Deed of Trust shall be construed in accordance with the laws of the State of Utah.

7.6 **Notices.** All notices, demands or other communications required or permitted to be given pursuant to the provisions of this Deed of Trust shall be in writing and shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, except that notice of Default may be sent by certified mail, return receipt requested, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid. Notices so sent shall be effective 3 days after mailing, if mailed by first class mail, and otherwise upon receipt at the addresses set forth above; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. Any party shall have the right to change its address for notice hereunder to any other location within the United States by the giving of 30 days notice to the other party in the manner set forth hereinabove. Trustors requests a copy of any statutory notice of default and a copy of any statutory notice of sale be mailed to Trustors at the address set forth above.

7.7 **Waiver of Marshaling.** Trustors, for itself and for all parties claiming through or under Trustors, and for all parties who may acquire a lien on or interest in the Property, hereby waives all rights to have the Property and/or any other property marshaled upon any foreclosure of the lien of this Deed of Trust or on a foreclosure of any other lien securing the Secured Obligations. Beneficiary shall have the right to sell the Property and any or all of said other property as a whole or in separate parcels, in any order that Beneficiary may designate.

7.8 **Power of Sale.** Should Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall notify the Trustee and request that the Trustee commence such proceedings.

(a) Upon receipt of such notice from Beneficiary, Trustee shall give and record such notice as shall then be required by law as a condition of such sale. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustors except as required by law, shall sell the Property at the time and place of sale fixed by it in the notice of sale, at one or several sales, either as a whole or in separate parcels and in such manner and order, as directed by Beneficiary, or by Trustors to the extent required by law, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustors, Trustee or Beneficiary, may purchase at such sale and Trustors hereby covenants to warrant and defend the title of such purchaser or purchasers. In addition, Beneficiary may credit bid at any such sale the amount of the indebtedness under the Note and hereunder, including, without limitation, accrued and unpaid interest, principal, charges, advances made hereunder and the Trustee's fees and expenses.

(b) Except as may be otherwise required by applicable law, after deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale in accordance with the provisions of the Note.

(c) Subject to the requirements and limits imposed by law, Trustee may postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale.

(d) Beneficiary may from time to time rescind any notice of default or notice of sale before any Trustee's sale in accordance with the laws of the State of Utah. The exercise by Beneficiary of such right of rescission shall not constitute a waiver of any breach or Default then existing or subsequently occurring, or impair the right of Beneficiary to execute and deliver to Trustee, as above provided, other declarations or notices of default to satisfy the obligations of this Deed of Trust or secured hereby, nor otherwise affect any provision, covenant or condition of any document secured by or referenced herein or any of the rights, obligations or remedies of Trustee or Beneficiary hereunder or thereunder.

Trustors hereby authorizes the recording of this Deed of Trust and any UCC-1 Financing Statement naming Trustors as debtor and Beneficiary as secured party upon the delivery of the same to Beneficiary, and any County Recorder is authorized to record the same pursuant to A.R.S. Section 33-421.

IN WITNESS WHEREOF, Trustors has executed this Deed of Trust as of the day and year set forth above.

TRUSTORS: Chad Daugherty and Cassandra Daugherty, husband and wife, as joint tenants

Chad Daugherty
Name: Chad Daugherty
Title: Individual

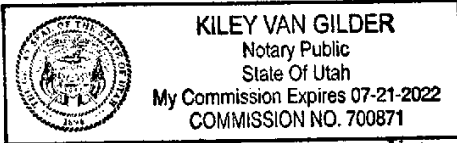
Cassandra Daugherty
Name: Cassandra Daugherty
Title: Individual

Notary Acknowledgement

STATE OF Utah
County of Washington : ss

On July 16, 2020, this instrument was acknowledged before me by the individual(s) whose signature(s), name(s), and title(s) appear(s) immediately prior to this inscription under the title "CHAD DAUGHERTY," and either I knew such person(s) personally or there was presented to me satisfactory evidence of the identity of such person(s). Moreover, (each) such person acknowledged to me that he or she executed this instrument in his or her duly authorized capacity with the intent to bind himself, herself, or the legal entity he or she represents.

IN WITNESS WHEREOF I have affixed hereto my signature and official stamp or seal:



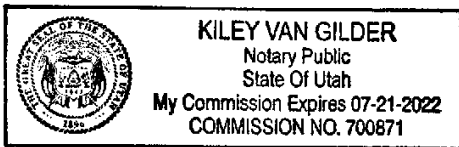
[Signature]
NOTARY PUBLIC

Notary Acknowledgement

STATE OF Utah
County of Washington : ss

On July 16, 2020, this instrument was acknowledged before me by the individual(s) whose signature(s), name(s), and title(s) appear(s) immediately prior to this inscription under the title "CASSANDRA DAUGHERTY," and either I knew such person(s) personally or there was presented to me satisfactory evidence of the identity of such person(s). Moreover, (each) such person acknowledged to me that he or she executed this instrument in his or her duly authorized capacity with the intent to bind himself, herself, or the legal entity he or she represents.

IN WITNESS WHEREOF I have affixed hereto my signature and official stamp or seal:



[Signature]
NOTARY PUBLIC

EXHIBIT A

Order No.: 48247-KV

Legal Description

Parcel 1:

All of Lot 91, Grassy Meadows Sky Ranch Phase 5A, a Subdivision, according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

Parcel 2:

All of Hanger Lots HU-64, HU-65, HU-66, HU-67 and HU-68, Grassy Meadows Sky Ranch Phase 5C, a Subdivision, according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

Tax Parcel No.: GMSR-5A-91-HV, GMSR-5C-HU64-HV, GMSR-5C-HU65-HV, GMSR-5C-HU66-HV, GMSR-5C-HU67-HV and GMSR-5C-HU68-HV

PLEASE INITIAL BELOW

CMP CR