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MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS  
(FOR DABC 2009A STORE FACILITIES (HEBER CITY STORE))

Dated as of March 1, 2009

From

UTAH STATE BUILDING OWNERSHIP AUTHORITY  
(Mortgagor)

To

WELLS FARGO BANK, N.A., as Trustee  
(Mortgagee)

FIXTURE FILING NOTICE: THIS MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS IS INTENDED TO CONSTITUTE A FINANCING STATEMENT FILED AS A FIXTURE FILING PURSUANT TO SECTION 70A-9a-502 AND COVERS GOODS THAT ARE OR ARE TO BECOME FIXTURES RELATED TO THE REAL ESTATE DESCRIBED HEREIN, AFTER-ACQUIRED PROPERTY AND PROCEEDS.

(This Table of Contents is not a part of this  
Mortgage, Security Agreement and Assignment of Rents,  
but is only for convenience of reference.)

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**MORTGAGE, SECURITY AGREEMENT AND  
ASSIGNMENT OF RENTS  
(FOR DABC 2009A STORE FACILITIES (HEBER CITY STORE))**

THIS MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS (FOR DABC 2009A STORE FACILITIES (HEBER CITY STORE)) (hereafter referred to as this "Mortgage"), made and entered into as of March 1, 2009, by and between the UTAH STATE BUILDING OWNERSHIP AUTHORITY (the "Mortgagor"), a body politic and corporate of the State of Utah, whose mailing address is do Division of Facilities Construction and Management, 4110 State Office Building, Salt Lake City, Utah 84114, and WELLS FARGO BANK, N.A., a national banking association (the "Mortgagee"), whose mailing address is 299 South Main Street, 2<sup>nd</sup> Floor, Salt Lake City, Utah 84111, Attn: Corporate Trust Department, as Trustee under that certain Indenture of Trust, Assignment of State Facilities Master Lease Agreement and Security Agreement, dated as of September 1, 1994, as supplemented and amended (the "Indenture"), by and between the Mortgagor and the Mortgagee.

**WITNESSETH:**

WHEREAS, the Mortgagor is authorized to undertake the acquisition and construction of certain facilities pursuant to the State Building Ownership Authority Act, Part 3, Chapter 1, Title 63B (the "Act") of Utah Code Annotated 1953, as amended (the "Utah Code"), and to lease such facilities to state bodies (as defined in the Act) in accordance with the provisions of the Act; and

WHEREAS, the Mortgagor and the State of Utah, acting through its Department of Administrative Services, Division of Facilities Construction and Management (the "Lessee"), have entered into that certain State Facilities Master Lease Agreement, dated as of September 1, 1994, as supplemented and amended (the "Master Lease"), pursuant to which the Mortgagor has agreed, among other things, (a) to acquire a certain tract of land or interests therein located in Wasatch County, Utah, more particularly described in the Granting Clause (as hereinafter defined) hereto, together with all buildings and improvements thereon and all tenements, hereditaments, easements, rights-of-way, rights, privileges and appurtenances belonging or in any way appertaining thereto (collectively, the "Site"), (b) to acquire and construct certain buildings, structures and related facilities, property and improvements located or to be located on the Site (hereinafter, collectively with the Site, the "Property"), and (c) to lease the Property to the Lessee on the terms and conditions set forth in the Master Lease; and

WHEREAS, the Act provides that the Mortgagor may issue and sell its revenue bonds for the purpose of paying the costs of acquiring and constructing facilities such as the Property, and further provides that any bonds so issued may be secured by (among other things) a mortgage covering all or any part of the facilities financed thereby and any

other security device on those facilities as the Mortgagor may deem most advantageous;  
and

WHEREAS, the Mortgagor has issued its Series 2009A Bonds (as such term is defined in the Indenture), under and pursuant to the Indenture and the Act, a portion of the proceeds of which have been or will be used to acquire and construct the Property;  
and

WHEREAS, it is anticipated that additional amounts may be necessary to acquire and construct the Property or for other purposes specified in the Master Lease and as a result thereof provision has been made in the Indenture for the issuance of additional parity bonds from time to time (hereinafter referred to as the "Additional Bonds"), which Additional Bonds (together with certain bonds heretofore issued pursuant to the Indenture the "Prior Parity Bonds") and the Series 2009A Bonds are hereinafter collectively referred to as the "Bonds"); and

WHEREAS, the Mortgagor desires to provide security for the payment of the principal of, and premium, if any, and interest on, the Bonds under the Indenture from time to time, according to their tenor and effect, and to provide security for the performance and observance by the Mortgagor of all the covenants expressed or implied in the Indenture and in the Bonds;

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Mortgagor does hereby MORTGAGE, GRANT, CONVEY, TRANSFER and ASSIGN unto the Mortgagee, and the Mortgagee's successors and assigns, and does hereby grant to the Mortgagee, its successors and assigns, forever, a security interest (as a purchase money obligation and mortgage) in, except any Excepted Property (as hereinafter defined) hereinafter expressly excepted from the lien hereof, all right, title and interest that the Mortgagor now has or may hereafter acquire in the following described properties, rights, interests and privileges (hereinafter sometimes collectively referred to as the "Mortgaged Property"):

#### **GRANTING CLAUSE**

All right, title and interest of the Mortgagor in and to the real estate situated in Wasatch County, State of Utah, that is more particularly described on Exhibit A attached hereto and incorporated herein by this reference, TOGETHER WITH (i) the entire interest of the Mortgagor in and to all buildings, structures, improvements and appurtenances now standing, or at any time hereafter acquired, constructed, improved, extended or placed, upon such real estate, including all right, title and interest of the Mortgagor, if any, in and to all building material, building equipment and fixtures of every kind and nature whatsoever on any of said real estate or in any building, structure or improvement now or hereafter standing on said real estate, which are classified as fixtures under applicable law and which are used in connection with the operation, maintenance or protection of said buildings, structures and improvements as such, whether or not the same are used in connection with the operation of any business

conducted upon any of said real estate, and the reversion or reversions, remainder or remainders, in and to any of said real estate, and together with the entire interest of the Mortgagor in and to all and singular the tenements, hereditaments, easements, rights-of-way, rights, privileges and appurtenances to said real estate, belonging or in any wise appertaining thereto, including without limitation the entire right, title and interest of the Mortgagor in, to and under any streets, ways, alleys, gores or strips of land adjoining said real estate, and all claims or demands whatsoever of the Mortgagor either in law or in equity, in possession or expectancy of, in and to said real estate, it being the intention of the parties hereto that, so far as may be permitted by law, all property of the character hereinabove described, which is now owned or is hereafter acquired by the Mortgagor and is affixed or attached or annexed to said real estate, shall be and remain or become and constitute a portion of said real estate and the security covered by and subject to the lien of this Mortgage, and together with all rents, income, revenues, issues and profits thereof, and the present and continuing right to make claim for, collect, receive and receipt for any and all of such rents, income, revenues, issues and profits arising therefrom or in connection therewith; (ii) all appurtenances, easements, water and water rights belonging to or used upon or in connection with said real estate (however represented), pumps, pumping plants, pipes, flumes and ditches, rights-of-way and other rights used in connection therewith or as a means of access thereto, or hereafter owned or constructed or placed thereupon; (iii) all the estate, interest, right, title, property or other claim or demand of every nature whatsoever in and to the Mortgaged Property, including specifically, but without limitation, all deposits made with or other security given to utility companies by the Mortgagor with respect to the Mortgaged Property and claims or demands relating to insurance or condemnation awards that the Mortgagor now has or may hereafter acquire, including all advance payments of insurance premiums made by the Mortgagor with respect thereto; (iv) all right, title and interest of the Mortgagor in and to all ground leases, leases, subleases, licenses, occupancy agreements, concessions or other arrangements, whether written or oral, whereby any person, corporation or business or governmental entity has agreed to pay money or any consideration for the use, possession or occupancy of the premises hereby conveyed or subject to the lien hereof, or any part or portion thereof or space therein, and all rents, income, profits, benefits, advantages and claims against guarantors under any of the foregoing; and (v) all rents, profits, damages, royalties and revenues of every kind, nature and description whatsoever that the Mortgagor may be entitled to receive from any person or entity owning or having or hereafter acquiring a right to the oil, gas, water (whether riparian, appropriative or otherwise, and whether or not appurtenant) or mineral rights and reservations of the Mortgaged Property, with the right in the Mortgagee to receive and receipt therefor and apply the same to the indebtedness secured hereby either before or after any default hereunder or under the Indenture, and the Mortgagee may demand, sue for and recover any such payments but shall not be required to do so.

To the extent that the Mortgaged Property is not comprised of real property, this Mortgage constitutes or shall be treated as constituting a security agreement under the Utah Uniform Commercial Code, so that the Mortgagee shall have and may enforce a security interest to secure payments of all sums due or to become due under this Mortgage, the Indenture or any Bonds, in any or all of the aforesaid building material, building equipment and fixtures and other articles of property, real, personal and mixed,

now owned or hereafter acquired, in addition to, but not in limitation of, the lien upon the same as part of the realty imposed by the foregoing provision hereof, such security interest to attach at the earliest moment permitted by law.

### EXCEPTED PROPERTY

There is, however, expressly excepted and excluded from the lien and operation of this Mortgage all property installed by the Lessee under the Master Lease, or by any sublessee or licensee of the Lessee as provided in Section 9.03 of the Master Lease (herein sometimes referred to as "Excepted Property").

TO HAVE AND TO HOLD all and singular the Mortgaged Property, whether now owned or hereafter acquired, unto the Mortgagee and its respective successors in said Mortgaged Property and assigns forever;

SUBJECT, HOWEVER, to Permitted Encumbrances (as defined in the Indenture).

The foregoing provisions of this Mortgage are herein referred to collectively as the "Granting Clause."

### FOR THE PURPOSE OF SECURING:

(1) payment of the principal of, and interest on, the Series 2009A Bonds issued by the Mortgagor pursuant to the Indenture in the aggregate principal amount of \$25,505,000 which Series 2009A Bonds are payable as to principal on May 15 of each of the years set forth below:

<u>Year</u> <u>(May 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2011	\$ 830,000	3.000%
2012	875,000	3.000
2013	900,000	3.000
2014	925,000	3.000
2015	950,000	4.000
2016	975,000	4.000
2017	1,025,000	5.000
2018	1,075,000	5.000
2019	1,125,000	5.000
2020	1,175,000	5.000
2021	1,250,000	5.000
2022	1,300,000	5.000
2023	1,375,000	5.000
2024	1,450,000	5.000
2025	1,500,000	5.000
2026	1,575,000	5.000

<u>Year</u> <u>(May 15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	1,675,000	5.000
2030	5,525,000	5.000

all such payments of principal, interest and other amounts being payable by the Mortgagor to the Mortgagee at the principal corporate trust office of the Mortgagee at its address first above written;

(2) payment of the principal of, and premium, if any, and interest on, the Prior Parity Bonds issued by the Mortgagor pursuant to the Indenture;

(3) payment of the principal of, and premium, if any, and interest on, any Additional Bonds issued by the Mortgagor pursuant to the Indenture;

(4) payment of all sums advanced by or on behalf of the Mortgagee hereunder or under the Indenture for the purpose of protecting the Mortgaged Property, with interest thereon, all as provided herein and in the Indenture; and

(5) payment of each and every obligation and performance of each and every covenant and agreement of the Mortgagor contained herein or in the Indenture, as the Indenture may be amended or supplemented from time to time in accordance with its terms, and with respect to the Prior Parity Bonds, the Series 2009A Bonds and any Additional Bonds issued pursuant to the Indenture.

The Mortgagor hereby covenants with the Mortgagee that the Mortgagor has marketable fee simple title (as described in the Granting Clause) in and to the Mortgaged Property; that the Mortgagor has good and lawful authority to assign, sell, convey and mortgage the same; that the Mortgaged Property is free and clear of all liens and encumbrances whatsoever, except as may be above stated and except Permitted Encumbrances; and the Mortgagor covenants to warrant and defend the Mortgaged Property against the lawful claims of all persons whomsoever, except as may be above stated, subject to Section 1.19 hereof.

PROVIDED, HOWEVER, that if the Mortgagor, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the Bonds and the interest and premium, if any, due or to become due thereon at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof from Base Rentals received under the Master Lease (as the Master Lease may be amended from time to time in accordance with its terms) and otherwise from the Trust Estate under the Indenture, and shall cause the payments to be made into the Bond Fund (as such term is defined in the Indenture) as required under Article IV of the Master Indenture from Base Rentals received under the Master Lease and otherwise from the Trust Estate under the Master Indenture, or shall provide, as permitted by the Master Indenture, for the payment thereof by depositing with or for the benefit of the Mortgagee, as Trustee under the Master Indenture, the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this



Mortgage and the Indenture (subject to the limitations herein and therein contained) to be kept, performed and observed by it, and shall pay or cause to be paid to the Mortgagee all sums of money due or to become due to it in accordance with the terms and provisions hereof and of the Master Indenture, then upon such final payments this Mortgage and the rights hereby granted shall cease, determine and be void; otherwise this Mortgage is to be and shall remain in full force and effect.

All capitalized terms used but not otherwise specifically defined in this Mortgage shall have the meaning ascribed to such terms in the Indenture or, if not defined therein, in the Master Lease.

IN ORDER MORE FULLY TO PROTECT THE SECURITY OF THIS MORTGAGE, THE MORTGAGOR HEREBY COVENANTS AND AGREES AS FOLLOWS:

## ARTICLE I

### COVENANTS AND AGREEMENTS OF THE MORTGAGOR

The Mortgagor hereby covenants and agrees as follows, subject in each instance to Section 1.19 hereof.

**Section 1.1 Payment of Secured Obligations.** The Mortgagor shall pay promptly the principal of (whether at maturity, by acceleration or call for redemption or otherwise), and premium, if any, and interest on, the Bonds to the extent that the Lessee pays to the Mortgagee (as the Mortgagor's assignee of the Master Lease under the Indenture) Base Rentals under the Master Lease, at the places, on the dates and in the manner provided in the Indenture and in every Bond issued under the Indenture according to the true intent and meaning thereof; provided, however, that such obligations are not general obligations of the Mortgagor but are limited obligations payable solely from Revenues (including, but not limited to, Base Rentals under the Master Lease, which are subject to annual appropriation by the Utah Legislature), which Revenues are specifically pledged to such purposes in the manner and to the extent provided in the Indenture. Nothing in the Bonds or in the Indenture shall be construed as pledging any funds or assets of the Mortgagor other than those mortgaged, assigned and pledged by the Indenture, this Mortgage and other Mortgages delivered in accordance with the Indenture. The Bonds, the premium, if any, and the interest thereon shall not be deemed to constitute a debt or a pledge of the faith and credit of the Mortgagor or the State of Utah (in its capacity as Lessee or otherwise), and neither the Mortgagor nor the State of Utah (in its capacity as Lessee or otherwise) shall be obligated to pay the principal of, and premium, if any, and interest on, the Bonds or other costs incident thereto except from the Revenues pledged therefor, including, but not limited to, Base Rentals that are subject to annual appropriation by the Utah Legislature as provided in the Master Lease.

**Section 1.2 Maintenance, Repair and Operation.** The Mortgagor shall, at its own expense, maintain, repair, manage and operate the Mortgaged Property, or cause the

same to be maintained, managed and operated, in good order, condition and repair and shall suffer no waste or injury thereto, ordinary wear and tear excepted. The Mortgagor shall provide or cause to be provided all security service, custodial service, janitor service, power, gas, telephone, light, heating and water and all other public utility services. The Mortgagor shall not place, or permit to be placed, a load upon any floor of the Mortgaged Property exceeding the floor load per square foot area that such floor was designed to carry and that may be allowed by law. In maintaining, repairing and operating the Mortgaged Property as described herein, the Mortgagor shall keep the Mortgaged Property or cause the Mortgaged Property to be kept free and clear of all liens, charges and encumbrances, except those caused or consented to by the Mortgagee in accordance with the Indenture and except Permitted Encumbrances. The Mortgagee hereby acknowledges that the Mortgagor has caused its covenants in this Section 1.2 to be performed by the Lessee pursuant to Article VI of the Master Lease.

Section 1.3 Required Insurance. (a) The Mortgagor shall at all times maintain or cause to be maintained with responsible insurers all such insurance on the Mortgaged Property (valued as defined below) that is customarily maintained with respect to properties of like character against accident to, loss of or damage to such properties. Notwithstanding the generality of the foregoing, the Mortgagor shall not be required to maintain or cause to be maintained any insurance that is not available from reputable insurers on the open market, except as provided in Section 1.3(c) below, or more insurance than is specifically referred to below.

The Mortgagor shall:

(i) Keep or cause to be kept a policy or policies of insurance against loss or damage to the Mortgaged Property resulting from fire, lightning, vandalism, malicious mischief, riot and civil commotion, and such perils ordinarily defined as "extended coverage" and other perils as the Mortgagee and the Mortgagor may have agreed in the Indenture or may otherwise agree should be insured against on forms and in amounts satisfactory to each. Such insurance may be carried in conjunction with any other fire and extended coverage insurance carried or required to be carried by the Mortgagor. Such extended coverage insurance shall, as nearly as practicable, also cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be maintained in an amount not less than the principal amount of the then Outstanding Bonds or the full insurable value of the Mortgaged Property (such value to include amounts spent for Acquisition and Construction of the Mortgaged Property and architectural, engineering, legal and administrative fees, inspection and supervision but to exclude value attributable to that portion of the Mortgaged Property constituting land), whichever amount is greater, subject to deductible conditions for any loss not to exceed the lesser of \$500,000 or the amount available at any time for such deductible in the Risk Management Fund for any one loss. The term "full insurable value" as used in this subsection shall mean the actual replacement cost,

using the items of value set forth above (including the cost of restoring the surface grounds owned or leased by the Mortgagor but excluding the cost of restoring trees, plants and shrubs), without deduction for physical depreciation. Such "full insurable value" shall be determined from time to time but not less frequently than once in every 36 months.

(ii) Maintain or cause to be maintained public liability insurance against claims for bodily injury or death, or damage to property occurring upon, in or about the Mortgaged Property, such insurance to afford protection to a limit of not less than \$1,000,000 combined single limit; provided, however, that nothing herein shall be construed to require the Mortgagor to maintain or cause to be maintained any such public liability insurance for amounts greater than the limitations on such liability provided under the Utah Governmental Immunity Act, Chapter 30 of Title 63 of the Utah Code. Such insurance may be maintained under an Owners, Landlords and Tenants policy and may be maintained in the form of a minimum \$1,000,000 single limit policy covering all such risks. Such insurance may be carried in conjunction with any other liability insurance coverage carried or required to be carried by the Mortgagor or the Lessee.

(iii) Maintain or cause to be maintained workers' compensation coverage to the extent required by law.

All insurance herein provided for shall be effected under policies issued by insurers of recognized responsibility, licensed or permitted to do business in the State of Utah, except as otherwise hereinafter provided. The Mortgagor may, in its discretion, insure the Mortgaged Property or permit the Mortgaged Property to be insured under blanket insurance policies that insure not only the Mortgaged Property, but other properties as well, so long as such blanket insurance policies otherwise comply with the terms of this Section 1.3(a).

All policies or certificates issued by the respective insurers for insurance shall provide that such policies or certificates shall not be canceled or materially changed without at least thirty (30) days prior written notice to the Mortgagee. Certificates evidencing such policies shall be deposited with the Mortgagee together with appropriate evidence of payment of the premiums therefor, and, at least thirty (30) days prior to expiration dates of expiring policies or contracts held by the Mortgagee, copies of renewal or new policies or contracts or certificates shall be deposited with the Mortgagee together with evidence of payment of premiums therefor.

All policies of insurance (except the policy of public liability and property damage insurance) must provide that the proceeds thereof shall be payable to the Mortgagee. The Net Proceeds of fire and extended coverage insurance shall be deposited into the Insurance Fund under the Indenture to be applied to rebuild, replace and repair the affected portion of the Mortgaged Property or redeem Outstanding Bonds in accordance with the Indenture as provided in Article X of the Master Lease. The Net Proceeds of public liability and property damage insurance shall be applied toward

extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid.

(b) Notwithstanding anything herein to the contrary, any policies of insurance or any deductible under any policies of insurance that the Mortgagor is required to keep or cause to be kept pursuant to Section 1.3(a) hereof may be provided through the Risk Management Fund or other self-insurance program available to the Mortgagor. In such event, the Mortgagor shall, or shall cause the Lessee under the Master Lease to, cause the risk manager of such self-insurance program to issue certificates of coverage to the Mortgagee for any such risks covered by the self-insurance program and otherwise evidencing compliance with the requirements of Section 1.3(a) hereof, which certificates of coverage shall be accompanied with an opinion of counsel to the Mortgagor or to the Lessee, as the case may be, that the obligations of the State of Utah under any such self-insurance program are legal, binding and enforceable against the State of Utah in accordance with their terms.

(c) To the extent that the Mortgagor is unable to obtain or maintain any of the insurance required to be carried as provided in Section 1.3(a) hereof from reputable insurers on the open market at reasonable prices therefor, the Mortgagor shall provide for such insurance through the Risk Management Fund or other self-insurance programs. Such self-insurance shall comply with the requirements of subsection (b) of this Section 1.3.

(d) The Mortgagor shall file or cause to be filed with the Mortgagee annually within one hundred eighty (180) days after the close of each Fiscal Year, commencing with the Fiscal Year that ends on June 30, 2009, a written statement of the Mortgagor satisfactory to the Mortgagee containing a summary of all insurance policies (including policies provided through any self-insurance program described in Section 1.3(b) or 1.3(c) hereof) then in effect with respect to the Mortgaged Property and stating that the insurance policies required by this Mortgage are in full force and effect.

(e) The Mortgagor for itself and its insurers, to the extent possible (as a reasonable cost) and to the extent permitted by law, hereby waives any claim against the Mortgagee, including claims based on negligence, if the claim results from any of the perils the Lessee is required to insure against or provide self-insurance for in this Section 1.3.

(f) The Mortgagee hereby acknowledges that the Mortgagor has caused its covenants in this Section 1.3 to be performed by the Lessee pursuant to Article VII of the Master Lease.

Section 1.4 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Mortgage or other transfer of title or assignment of the Mortgaged Property in extinguishment, in whole or in part, of the obligations secured hereby, all right, title and interest of the Mortgagor in and to all policies of insurance and self-

insurance required by Section 1.3 hereof shall inure to the benefit of and pass to the successor in interest to the Mortgagor or the purchaser or grantee of the Mortgaged Property to the extent not prohibited by law.

Section 1.5 Actions Affecting Mortgaged Property. The Mortgagor shall appear in and defend any action or proceeding affecting or purporting to affect the security of this Mortgage, any additional or other security for any of the obligations secured hereby or the interest, rights, powers or duties of the Mortgagee hereunder; it being agreed, however, that in the case of an action or proceeding against the Mortgagee, the Mortgagee, at its option, may appear in and defend any such action or proceeding deemed necessary by it to perfect, maintain or protect such interest, rights, powers or duties, all in such manner and to such extent as the Mortgagee shall determine in its own discretion, and the Mortgagee is authorized to pay, purchase or compromise on behalf of the Mortgagor any encumbrance or claim that in its judgment appears or purports to affect the security hereof or to be superior hereto; and to pay all costs and expenses, including, but not limited to, costs of evidence of title and attorney's fees in a reasonable sum, in any above-described action or proceedings in which the Mortgagor may appear.

Section 1.6 Taxes. (a) The Mortgagor and the Mortgagee understand and agree that the Mortgaged Property constitutes public property free and exempt from all taxation in accordance with applicable law.

(b) Notwithstanding Section 1.6(a) hereof, in the event that the Mortgaged Property or any portion thereof or any portion of the Rentals shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body that may be secured by a lien against the Mortgaged Property or any portion of the Rentals, all such taxes, assessments and governmental charges then due shall be paid, or caused to be paid, by the Mortgagor, but only from amounts constituting Additional Rentals paid by the Lessee as provided in the Master Lease. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the Mortgagor shall be obligated hereunder to cause the Lessee to provide for Additional Rentals under the Master Lease only for such installments as are required to be paid during the term of the Master Lease. The Mortgagor shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Mortgaged Property or any portion thereof (including, without limitation, any taxes levied upon the Mortgaged Property or any portion thereof that, if not paid, will become a charge on the Rentals and receipts from the Mortgaged Property or any portion thereof prior to or on a parity with the charge thereon and the pledge and assignment thereof to be created and made in the Indenture and this Mortgage ), or any interest therein (including the interest of the Mortgagor) or the Rentals and revenues derived therefrom or hereunder, except to the extent permitted by Section 1.6(c) hereof.

(c) In addition to the rights of the Lessee under Section 8.01 of the Master Lease, the Mortgagor may, at its expense and in its name, in good faith contest, or cause to be contested, any such taxes, assessments and other charges,

and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless by nonpayment of any such items the security afforded pursuant to the terms of the Indenture or this Mortgage will be materially endangered (in the judgment of the Mortgagee) or the Mortgaged Property or any essential part thereof will be subject to loss or forfeiture (in the judgment of the Mortgagee), in which event such taxes, assessments or charges shall be paid forthwith. The Mortgagee will cooperate fully with the Mortgagor in any such contest upon the request and at the expense of the Mortgagor. In the event that the Mortgagor shall fail to pay any of the foregoing items required by this Section 1.6 to be paid, the Mortgagee may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Mortgagee shall become an additional obligation of the Mortgagor to the Mortgagee (provided that such obligation shall be satisfied only out of Additional Rentals paid by the Lessee pursuant to Section 8.01(c) of the Master Lease for such purpose), which amounts the Mortgagor hereby agrees to pay (subject to the foregoing limitation) on demand together with interest thereon from the date thereof until paid at the lesser of eight percent (8%) per annum or the maximum rate permitted by law, but only from moneys appropriated and legally available for such purpose.

(d) The Mortgagee hereby acknowledges that the Mortgagor has caused its covenants in this Section 1.6 to be performed by the Lessee pursuant to Article VIII of the Master Lease.

Section 1.7 Alterations, Additions and Improvements to the Mortgaged Property. (a) The Mortgagor shall have the right to make or permit to be made any alterations, additions, replacements, renovations, rehabilitations or improvements of any kind, structural or otherwise, as it shall deem necessary or desirable, on or to the Mortgaged Property, to attach fixtures, structures or signs, and to affix any personal property to the improvements on the Mortgaged Property; provided, however, that no such alteration, addition, replacement, renovation, rehabilitation or improvement shall reduce or otherwise adversely affect the value of the Mortgaged Property or the fair rental value thereof (such value to be determined in each instance with reference to the value to the Lessee based upon its use of the Mortgaged Property under the Master Lease and not with reference to such value as may be applicable for a different use or by a different user of the Mortgaged Property) or materially alter or change the character or use of the Mortgaged Property or impair the excludability of interest on the Bonds from gross income of the Owners thereof for federal income tax purposes or otherwise adversely affect the purposes for which the Mortgagor acquired the Mortgaged Property or for which the Lessee is leasing the Mortgaged Property pursuant to the Master Lease. Except as provided in Section 1.7(c) hereof, all such alterations, additions, replacements, renovations, rehabilitations and improvements shall become the property of the Mortgagor as a part of the Mortgaged Property and shall be subject to this Mortgage.

(b) The Mortgagor will not permit any mechanic's or other lien to be established or remain against the Mortgaged Property for labor or materials furnished in connection with any construction, substitutions, additions,

modifications, improvements, repairs, renewals or replacements so made or permitted to be made by the Mortgagor, provided that if the Mortgagor shall first notify the Mortgagee of the Mortgagor's intention so to do, in addition to the rights of the Lessee under Section 9.01(b) of the Master Lease, the Mortgagor may in good faith contest or cause to be contested any mechanic's or other lien filed or established against the Mortgaged Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless by nonpayment of any such items the security afforded pursuant to the terms of the Indenture or this Mortgage will be materially endangered (in the judgment of the Mortgagee) or the Mortgaged Property or any essential part thereof will be subject to loss or forfeiture (in the judgment of the Mortgagee), in which event the Mortgagor shall promptly pay, or cause to be paid, and cause to be satisfied and discharged all such unpaid items. The Mortgagee will cooperate fully with the Mortgagor in any such contest, upon the request and at the expense of the Mortgagor.

(c) All of the Lessee's equipment and other personal property installed or placed by the Lessee in or on the Mortgaged Property that is not a fixture under applicable law or that is not paid for with the proceeds of sale of the Bonds shall remain the sole property of the Lessee in which neither the Mortgagor, the Mortgagee nor the Owners of the Bonds shall have any interest, and may be modified or removed at any time by the Lessee and shall not be subject to the lien of this Mortgage. The Mortgagor shall pay or cause the Lessee to pay for any damage caused by such modification or removal, but only from funds of the Mortgagor or the Lessee, as the case may be, legally available for such purpose.

(d) The title to any personal property, improvements or fixtures placed on or in the Mortgaged Property by any sublessee or licensee of the Lessee shall be controlled by the sublease or license agreement between such sublessee or licensee and the Lessee.

(e) If after the occurrence of an Event of Nonappropriation or an Event of Default under the Master Lease, the Lessee moves out or is dispossessed and fails to remove any of its property at the time of such moving out or dispossession, then and in that event, the Mortgagee shall have the option, following not less than thirty (30) days prior written notice to the Lessee of the Mortgagee's intention to exercise such option, either to regard such property as abandoned by the Lessee, in which case such property shall become the property of the Mortgagor subject to this Mortgage, or shall have the right to demand that the Lessee remove such property from the Mortgaged Property, and in the event of failure of the Lessee to comply with said demand, the Mortgagee shall have the right to remove, sell or destroy such property.

Section 1.8 Utilities. The Mortgagor shall pay or cause to be paid when due (but only from amounts constituting Additional Rentals paid by the Lessee as provided in the Master Lease) all utility charges that are incurred for the benefit of the Mortgaged Property or that may become a charge or lien against the Mortgaged Property for gas,

electricity, water or sewer services furnished to the Mortgaged Property and all other assessments or charges of a similar nature, whether public or private, affecting the Mortgaged Property or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

**Section 1.9 Actions by Mortgagee to Preserve Mortgaged Property.** If the Mortgagor fails to make or cause to be made any payment or to do or cause to be done any act as and in the manner provided in this Mortgage, the Indenture or the Bonds, the Mortgagee in its own discretion, without obligation so to do and without notice to or demand upon the Mortgagor and without releasing the Mortgagor from any obligation, may make or do the same in such manner and to such extent as the Mortgagee may deem necessary to protect the security hereof; provided, however, that the Mortgagee shall only take any of the actions authorized by this Section after providing at least thirty (30) days' prior written notice to the Mortgagor, unless by providing such notice for such period prior to taking any action the security afforded pursuant to the terms of this Mortgage will be materially endangered (in the judgment of the Mortgagee) or the Mortgaged Property or any essential part thereof will be subject to loss or forfeiture (in the judgment of the Mortgagee), in which event the Mortgagee shall provide such written notice to the Mortgagor prior to taking any action authorized by this Section as shall be reasonable under the circumstances. In connection therewith (without limiting its general powers), the Mortgagee shall have and is hereby given the right, but not the obligation, (a) to enter upon and take possession of the Mortgaged Property; (b) to make additions, alterations, repairs and improvements to the Mortgaged Property that it may consider necessary or proper to keep the Mortgaged Property in good condition and repair; (c) to appear and participate in any action or proceeding affecting or that may affect the security hereof or the rights or powers of the Mortgagee; (d) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt that in its judgment may affect or appears to affect the security of this Mortgage or be prior or superior hereto; and (e) in exercising such powers, to pay necessary expenses, including employment of counsel or other necessary or desirable consultants. The Mortgagor shall immediately, upon demand therefor by the Mortgagee, pay all reasonable costs and expenses incurred by the Mortgagee in connection with the exercise by the Mortgagee of the foregoing rights, including, without limitation, costs of evidence of title, court costs, appraisals, surveys and attorneys' fees, but only from amounts constituting Additional Rentals paid by the Lessee as provided in the Master Lease.

**Section 1.10 Additional Security.** In the event the Mortgagee at any time holds additional security for any of the obligations secured hereby, the Mortgagee may enforce the sale thereof or otherwise realize upon the same, at its option, either before or concurrently herewith or after foreclosure hereunder.

**Section 1.11 Successors and Assigns.** This Mortgage applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns.

**Section 1.12 Inspections.** The Mortgagee, or its agents, representatives or workers, are authorized to enter upon or in any part of the Mortgaged Property during



reasonable business hours (and in emergencies at all times) for the purpose of inspecting the same and for the purpose of performing any of the acts it is authorized to perform under the terms of this Mortgage, the Indenture or the Bonds; provided, however, that the rights of access hereby granted may be limited to such areas in the Mortgaged Property as the Mortgagor or the Lessee determines to be necessary to preserve the security of the operations conducted in the Mortgaged Property and nothing herein shall be construed to authorize the Mortgagee to obtain any information pursuant to its right of inspection granted herein that the Mortgagor or the Lessee may determine to be of a confidential nature. Notwithstanding anything herein to the contrary, the Mortgagee shall be entitled to exercise its rights granted pursuant to this Section only after the Mortgagee has provided not less than five (5) days prior written notice to the Mortgagor and the Lessee stating its desire to make such an inspection and outlining its proposed actions in connection with such inspection, subject to the limitations herein provided.

Section 1.13 Liens. The Mortgagor shall pay and discharge, or cause to be paid and discharged, promptly, at the Mortgagor's cost and expense, all liens, encumbrances and charges upon the Mortgaged Property, except Permitted Encumbrances, or any part thereof or interest therein; provided that the existence of any such liens, encumbrances or charges upon the Mortgaged Property shall not constitute a violation of this Section if payment is not yet due under the contract that is the foundation thereof. In addition to the rights of the Lessee under the Master Lease, the Mortgagor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge and, in the event of any such contest, may permit such liens, encumbrances or charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless by nonpayment of any such items the security afforded pursuant to the terms of the Indenture or this Mortgage will be materially endangered (in the judgment of the Mortgagee) or the Mortgaged Property or any essential part thereof will be subject to loss or forfeiture (in the judgment of the Mortgagee), in which event such liens, encumbrances or charges shall be paid forthwith, but only from moneys duly appropriated and legally available for such purpose.

Section 1.14 Condemnation Proceeds. All condemnation proceeds of the Mortgaged Property shall be deposited with the Mortgagee under the Indenture and are hereby assigned to the Mortgagee to be held and disbursed by the Mortgagee as provided in Section 413 of the Indenture; provided, however, that such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

Section 1.15 Governmental Requirements. The Mortgagor shall comply with, and cause the Mortgaged Property and the use and condition thereof to comply fully with, all statutes, ordinances and requirements, regulations, orders and decrees relating to the Mortgagor or the Mortgaged Property or the use thereof by any federal, state, county or other governmental authority to the extent applicable (including, but not limited to, the Americans with Disability Act of 1990, as amended) and observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits, privileges and franchises (including, but not limited to, those relating to land use and development, construction, access, water rights and use, noise and pollution) that are

applicable to the Mortgagor or have been granted for the Mortgaged Property or the use thereof.

Section 1.16 Parking Areas. The Mortgagor shall provide and improve or cause to be provided and improved as parking facilities within the Mortgaged Property surface areas of a square footage at least sufficient to park as many vehicles as required by applicable local ordinances.

Section 1.17 Performance of Mortgagor's Covenants; Authority. The Mortgagor shall faithfully observe and perform at all times any and all covenants, conditions and agreements on its part contained in this Mortgage, in the Indenture, in any and every Bond executed, authenticated and delivered thereunder and in all proceedings of the Mortgagor pertaining thereto; provided, however, that the liability of the Mortgagor under any such covenant, condition or agreement for any breach or default by the Mortgagor thereof or thereunder shall be limited solely to the Revenues. The Mortgagor represents that it is duly authorized under the Constitution and laws of the State of Utah, including particularly and without limitation the Act, and that it has all right, power and authority, to grant a mortgage lien on and security interest in the Mortgaged Property to the Mortgagee for the purposes and uses herein set forth, and to enter into, execute and deliver this Mortgage; and that all action on its part for the execution and delivery of this Mortgage has been duly and effectively taken. The Mortgagor warrants that there is no financing statement or other filed or recorded instrument in which the Mortgagor is named as, or which the Mortgagor has signed as, debtor now on file in any public office covering any of the Mortgaged Property excepting the financing statements or other instruments filed or to be filed in respect of and for the security interest provided for herein and in the Indenture, and that such liens and security interests created in this Mortgage and the Indenture have been duly perfected and are prior to any other.

Section 1.18 Actions of Mortgagor with Respect to Mortgaged Property. The Mortgagor will not:

(a) declare a default or exercise the remedies of the seller or lessor, as the case may be, under, or terminate, modify or accept a surrender of, or offer or agree to any termination, waiver, modification or surrender of, the Master Lease (except as otherwise expressly provided in the Indenture) or by affirmative act consent to the creation or existence of any Lien (other than the security interests and liens of the Indenture, this Mortgage and other Mortgages delivered in accordance with the provisions of the Indenture) to secure the payment of obligations upon the leasehold or other estate created by the Master Lease or any part of any thereof; or

(b) receive or collect or permit the receipt or collection of any payment under the Master Lease prior to the date for the payment thereof provided for by the Master Lease or assign, transfer or hypothecate (other than to the Mortgagee) any Revenues or other payment then due or to accrue in the future under the Master Lease in respect of the Mortgaged Property; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Mortgagee) its interest in the Mortgaged Property or any part thereof or interest therein or in any amount to be received by it from the disposition of the Mortgaged Property except as provided in the Master Lease.

Section 1.19 Limited Obligation. Notwithstanding anything herein to the contrary, the obligations of the Mortgagor under this Mortgage are not general obligations of the Mortgagor, but are limited obligations and, except for the security provided by the Indenture, this Mortgage and other Mortgages delivered in accordance with the provisions of the Indenture, are payable solely from Rentals received under the Master Lease. Neither the full faith and credit nor the taxing powers of the State of Utah or any political subdivision of such State is pledged to the payment of any obligations of the Mortgagor under this Mortgage. Such obligations shall not now nor shall ever constitute an indebtedness of the Mortgagor, the State of Utah or any political subdivision of such State within the meaning of any state constitutional provision or limitation nor give rise to or be a general obligation or liability of, nor a charge against the general credit or taxing powers of, the State of Utah or any political subdivision of such State.

## ARTICLE II

### ASSIGNMENT OF RENTS, ISSUES AND PROFITS

Section 2.1 Assignment of Rents. The Mortgagor hereby assigns and transfers to the Mortgagee all the rents, issues and profits of the Mortgaged Property, including, without limitation, all right, title, interest, estate, claims and demands of the Mortgagor in and to the Revenues and as lessor in, to and under the Master Lease, including any and all extensions or renewals of the term thereof, together with the immediate and continuing right to receive and collect all Base Rentals, Option Price (if paid), amounts to be paid into the Bond Fund pursuant to Section 11.01 of the Master Lease from rentals or other payments by permitted sublessees, assignees and transferees, insurance proceeds (including any moneys derived from the Risk Management Fund or other self-insurance program), condemnation awards, performance bonds and other payments, tenders and security now or hereafter payable to or on behalf of or receivable by the Mortgagor under the Master Lease pursuant thereto. To the extent permitted by law, the Mortgagor does hereby irrevocably constitute and appoint the Mortgagee its true and lawful attorney with an interest and full power of substitution, for it and in its name, place and stead (a) to ask, demand, collect, receive and receipt for any and all rents, income and other sums that are assigned under the Granting Clause hereof or under this Article II, and (b) without limiting the provisions of the foregoing clause (a) hereof, during the continuance of any Event of Default under this Mortgage, to exercise any remedies available under the Master Lease as fully as the Mortgagor could itself do as lessor thereunder, and to perform all other necessary or appropriate acts with respect to any such remedies, and in its discretion to file any claim or take any other action or proceedings against lessees, licenses or other users of the Mortgaged Property or any portion thereof or space therein, either in its own name or in the name of the Mortgagor or otherwise, which the Mortgagee may deem necessary or appropriate to protect and preserve the right, title and interest of the Mortgagee (but only to the extent specifically provided herein) in the

Master Lease and to the Revenues under the Master Lease and other sums and the security intended to be afforded hereby, whether or not the Mortgagor is in default hereunder. Notwithstanding the foregoing, the Mortgagor shall have the right, subject to Section 1.18 of this Mortgage, to collect and use such rents, issues and profits prior to or at any time there is not an Event of Default under this or any Mortgage, the Indenture or the Bonds. The assignment of rents, issues and profits of the Mortgaged Property in this Article II is intended to be an absolute assignment from the Mortgagor to the Mortgagee and not merely the passing of a security interest. The rents, issues and profits are hereby assigned absolutely by the Mortgagor to the Mortgagee subject only to the right of the Mortgagor, subject to Section 1.18 of this Mortgage, to collect and use such rents, issues, and profits prior to the occurrence of an Event of Default under this or any Mortgage, the Indenture or the Bonds.

**Section 2.2 Collection Upon Default.** Upon any Event of Default hereunder or under any Mortgage, the Bonds or the Indenture, the Mortgagee may, at any time without notice (except as otherwise hereinafter provided), either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the obligations hereby secured, enter upon and take possession of the Mortgaged Property, or any part thereof, or space therein, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any obligations secured hereby, and in such order as the Mortgagee may determine. The collection of such rents, issues and profits, or the entering upon and taking possession of the Mortgaged Property, or the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default. The Mortgagee's failure or discontinuance at any time to collect any of such rents, issues and profits shall not in any manner affect the right, power or authority of the Mortgagee thereafter to collect the same. Nothing contained herein, nor the Mortgagee's exercise of the Mortgagee's right to collect such rents, issues and profits, shall be or be construed to be an affirmation by the Mortgagee of any tenancy, lease, option or other interest in the Mortgaged Property, or an assumption of liability under, or a subordination of the lien or charge of this Mortgage to, any tenancy, lease, option or other interest in the Mortgaged Property.

### ARTICLE III

#### SECURITY AGREEMENT

**Section 3.1 Creation of Security Interest.** The Mortgagor hereby grants to the Mortgagee a present security interest in the personal property, if any, described and referred to in the Granting Clause hereto for the purpose of securing payment and performance of all obligations of the Mortgagor contained herein, in the Indenture or in the Bonds.

**Section 3.2 Financing Statement.** This Mortgage also constitutes a Financing Statement as may be required within the purview of the Utah Uniform Commercial Code, and in compliance therewith the following information is set forth:

1. The names and addresses of the Debtor and the Secured Party are:

DEBTOR: Utah State Building Ownership Authority  
c/o Division of Facilities Construction  
and Management  
4110 State Office Building  
Salt Lake City, Utah 84114  
Attention: Chair

SECURED PARTY: Wells Fargo Bank, N.A.,  
as Trustee on behalf of owners of certain lease  
revenue bonds,  
299 South Main Street, 2<sup>nd</sup> Floor  
Salt Lake City, Utah 84111  
Attention: Corporate Trust Department

2. DEBTOR'S EMPLOYER IDENTIFICATION NUMBER: 52-1616171

3. COLLATERAL: This Financing Statement covers the types (or items) of collateral described in the Granting Clause contained herein.

4. REAL ESTATE: The collateral covered by this Financing Statement includes goods that are or are to become fixtures in or upon or related to the herein described real estate situated in Wasatch County, Utah, and more particularly described in the Granting Clause hereto. This Financing Statement is to be recorded in the real estate records of the County Recorder of Wasatch County, Utah.

5. RECORD OWNER: The name of the record owner of the real estate described above in paragraph 4 is the Utah State Building Ownership Authority.

6. The following is supplied in answer to the information requested as to whether the Secured Party is or is not a seller or purchase money lender: This Financing Statement is executed in connection with the issuance by the Debtor of its \$25,505,000 Lease Revenue Bonds (State Facilities Master Lease Program), Series 2009A, a portion of the proceeds of which will be utilized by the Debtor to acquire certain interests in land and to acquire and construct certain structures, facilities and other improvements to be located on such land. The Secured Party hereunder, or the Bondowners on whose behalf Wells Fargo Bank, N.A., is acting in the capacity as Trustee, is a purchase money lender with respect to the collateral described in this Financing Statement. The date or dates upon which purchases in connection therewith will be made and the exact amount that will be utilized for such purpose cannot be determined at this time. All applicable sales and use taxes have been or will be paid.

## ARTICLE IV

### POSSESSION, USE AND PARTIAL RELEASE OF MORTGAGED PROPERTY

Section 4.1 Subordination of the Master Lease to the Indenture. As provided in Section 11.05 of the Master Lease, the Master Lease and the Lessee's interest in the Mortgaged Property and its interest as lessee under the Master Lease shall at all times be subject and subordinate to the lien of this Mortgage; provided, however, that so long as no Event of Default shall have happened and be continuing hereunder, the Master Lease shall remain in full force and effect notwithstanding such subordination, and the Lessee shall not be disturbed by the Mortgagor or the Mortgagee in its possession, use and enjoyment of the Mortgaged Property during the term of the Master Lease or in the enjoyment of the Lessee's rights under the Master Lease.

Section 4.2 Partial Release of Site. Reference is made to the provisions of the Master Lease, including, without limitation, Section 13.01(b) thereof, whereby the Mortgagor and the Lessee have reserved the right to withdraw certain portions of the sites on which any of the Facilities are located from the terms of the Master Lease and the lien of the Indenture and any Mortgage upon compliance with the terms and conditions of the Master Lease. To the extent permitted under Section 13.01(b) of the Master Lease, at any time and from time to time, if no Event of Default shall have happened and be continuing hereunder, upon written request of the Mortgagor, and without affecting the liability of any person for payment of the obligations secured hereby, the Mortgagor may make such modifications, alterations, amendments or additions to, or deletions from, that portion of the Mortgaged Property constituting land, free and clear of the security interest and lien afforded hereby, subject to compliance by the Mortgagor and the Lessee with the conditions set forth in Section 13.01(b) of the Master Lease. The Mortgagee agrees that it shall execute and deliver any instrument necessary or appropriate to make any such modification, alteration, amendment or addition to, or deletion from, such sites.

Section 4.3 Granting or Release of Easements. Reference is made to the provisions of the Master Lease, including without limitation Section 13.01(c) thereof, whereby the Lessee may grant or release easements and take other action upon compliance with the terms and conditions of the Master Lease. To the extent permitted under Section 13.01(c) of the Master Lease, at any time and from time to time, if no Event of Default shall have happened and be continuing, upon written request of the Lessee, and without affecting the liability of any person for payment of the obligations secured hereby, the Mortgagor may grant or permit to be granted easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property or rights included in this Mortgage, free and clear of the security interest and lien afforded hereby, or the Mortgagor may release or permit to be released existing easements, licenses, rights of way and other rights or privileges with or without consideration, subject to compliance by the Mortgagor and the Lessee with the conditions set forth in Section 13.01(c) of the Master Lease. The Mortgagee agrees that it shall execute and deliver any instrument

necessary or appropriate to confirm and grant or release any such easement, license, right of way or other grant or privilege made in accordance with the provisions of Section 13.01(c) of the Master Lease.

## ARTICLE V

### EVENTS OF DEFAULT; REMEDIES UPON DEFAULT

Section 5.1 Events of Default. Any of the following events shall be deemed an "Event of Default" hereunder:

(a) Default in the payment of the principal of or premium, if any, on any Bond when the same shall become due and payable, whether at the stated maturity date thereof, by acceleration or call for redemption or otherwise; or

(b) Default in the payment of any interest on any Bond when the same shall become due and payable; or

(c) The occurrence of any Event of Nonappropriation or Event of Default under the Master Lease or the Indenture or the occurrence of an event of default under any other Mortgage delivered in accordance with the provisions of the Indenture; or

(d) Subject to the provisions of Section 5.9 hereof, default in the performance or observance of any of the covenants, agreements or conditions on the part of the Mortgagor in this Mortgage not otherwise addressed in subsections (a) through (c) of this Section 5.1, and the continuance thereof for a period of sixty (60) days after written notice to the Mortgagor and the Lessee given by the Mortgagee or to the Mortgagee, the Mortgagor and the Lessee by the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding.

Section 5.2 Remedies Upon Default. Upon the occurrence and continuance of any Event of Default hereunder, the Mortgagee may, and at the written request of Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall, declare all obligations secured hereby to be immediately due and payable, whereupon such obligations shall, without further action, become and be immediately due and payable, anything in this or any other Mortgage, in the Indenture or in the Bonds to the contrary notwithstanding; provided, however, that no such acceleration shall change or otherwise affect the limited nature of the Mortgagor's obligations as provided in Section 1.19 hereof.

Upon the occurrence and continuance of an Event of Default hereunder, the Mortgagee may, and at the written request of the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding shall, commence an action to foreclose this Mortgage in the manner permitted by law against the Mortgagor's right, title and interest in the Mortgaged Property in such manner and order as the Mortgagee

may determine and as may be permitted by law and take one or any combination of the following additional remedial steps:

(a) The Mortgagee may temporarily lease the Mortgaged Property or any portion thereof for the benefit of the Owners of the Bonds, pending sale of the Mortgaged Property.

(b) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Mortgaged Property, or any part thereof, in its own name or in the name of the Mortgagor, and do any acts that the Mortgagee deems necessary or desirable to preserve the value, marketability or rentability of the Mortgaged Property, or part thereof or interest or space therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Mortgaged Property, sue for or otherwise collect the rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any obligations secured hereby, all in such order as the Mortgagee may determine. The entering upon and taking possession of the Mortgaged Property, the collection of such rents, issues and profits and the application thereof as aforesaid shall not cure or waive any default or notice of default, hereunder or invalidate any act done in response to such default or pursuant to such notice of default, and, notwithstanding the continuance in possession of the Mortgaged Property or the collection, receipt and application of rents, issues or profits, the Mortgagee shall be entitled to exercise every right and remedy provided for in the Master Lease, the Indenture or this or any other Mortgage or now or hereafter permitted by law upon occurrence of any Event of Default.

(c) Exercise such rights and remedies with respect to the Master Lease and the leasehold estate created thereunder as the Mortgagee (in its capacity as Trustee under the Indenture) is entitled to exercise under the Indenture.

(d) Exercise any or all of the remedies available to a secured party under the Utah Uniform Commercial Code, as then in effect, with respect to property subject to this Mortgage that is covered by the Utah Uniform Commercial Code. Without limiting the generality of the foregoing, the Mortgagee shall have the right to take possession of any personal property or fixtures subject to the lien of this Mortgage and to take such other measures as the Mortgagee may deem as necessary for the care, protection, preservation and marketing of said personal property and fixtures. The Mortgagee may require the Mortgagor to assemble any such personal property or fixtures and make the same available to the Mortgagee at a place to be designated by the Mortgagee that is reasonably convenient to the Mortgagor. It is agreed that a commercially reasonable manner of disposition of personal property includes, without limitation, disposition with the real property in the manner provided above.



ANYTHING IN THIS MORTGAGE TO THE CONTRARY NOTWITHSTANDING, NO EVENT OF DEFAULT HEREUNDER OR BREACH OF ANY COVENANT OR AGREEMENT HEREIN SHALL IMPOSE ANY GENERAL OBLIGATION OR LIABILITY UPON, NOR A CHARGE AGAINST, THE MORTGAGOR OR THE STATE OF UTAH (AS THE LESSEE OR OTHERWISE) OR THE GENERAL CREDIT OR TAXING POWER OF THE STATE OF UTAH OR ANY OF ITS POLITICAL SUBDIVISIONS. THE MORTGAGOR HAS NO TAXING POWER. IN THE EVENT THE MORTGAGEE EXERCISES ITS RIGHT TO FORECLOSE THIS MORTGAGE IN THE MANNER PERMITTED BY LAW OR OTHERWISE EXERCISES ITS REMEDIES AS HEREIN PROVIDED, NO DEFICIENCY JUDGMENT MAY BE ENTERED AGAINST THE MORTGAGOR OR THE STATE OF UTAH (IN ITS CAPACITY AS THE LESSEE OR OTHERWISE) OR ANY OF ITS POLITICAL SUBDIVISIONS, EXCEPT TO THE EXTENT THAT THE LESSEE REMAINS LIABLE TO PAY RENTALS FOR ANY PERIOD THAT IT USES, OCCUPIES AND OPERATES THE MORTGAGED PROPERTY UNDER THE MASTER LEASE AND THE MORTGAGEE IS ENTITLED TO RECOVER SUCH RENTALS AS PROVIDED IN SECTION 902(b) OF THE INDENTURE.

Section 5.3 Other Remedies. (a) Upon the occurrence of an Event of Default hereunder, the Mortgagee may, as an alternative, either after entry or without entry, pursue any available remedy by suit at law or equity to enforce the payment of the principal of, and premium, if any, and interest on, the Bonds then Outstanding, including, without limitation, foreclosure and mandamus and an action for specific performance of any agreement herein contained.

(b) Upon the occurrence of an Event of Default hereunder, if requested to do so by the Owners of at least 25% in aggregate principal amount of Bonds then Outstanding and if indemnified as provided in the Indenture, the Mortgagee shall exercise such one or more of the rights and powers conferred by this Article V as the Mortgagee, upon being advised by counsel, shall deem most expedient in the interests of the Bondowners.

Section 5.4 Appointment of Receiver. Upon the occurrence of an Event of Default hereunder and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Mortgagor or of the Bondowners under this Mortgage, the Mortgagee, as a matter of right and after at least five (5) days notice to the Mortgagor and the Lessee, and without regard to the then value of the Mortgaged Property or the interest of the Mortgagor, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgaged Property, and the Mortgagor hereby irrevocably consents to such appointment and, to the extent permitted by law, waives notice of any application therefor except as above provided. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of the Mortgagee in case of entry as provided in Section 5.2 hereof and shall continue as such and exercise all such powers until the date of confirmation of sale of the Mortgaged Property unless such receivership is sooner terminated.

Section 5.5 Remedies Not Exclusive. The Mortgagee shall be entitled to enforce payments and performance of any obligations secured hereby and to exercise all rights and powers under this or any other Mortgage, the Indenture, the Bonds, the Master Lease or other agreement or any laws now or hereafter in force, notwithstanding some or all of the obligations secured hereby may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or other powers herein contained, shall prejudice or in any manner affect the Mortgagee's right to upon or enforce any other security now or hereafter held by the Mortgagee, it being agreed that the Mortgagee shall be entitled to enforce this or any other Mortgage, the Indenture and any other security now or hereafter held by the Mortgagee in such order and manner as it may in its absolute discretion determine. No remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by this or any other Mortgage, the Indenture, the Master Lease, any Site Lease or the Bonds or to which the Mortgagee may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Mortgagee, and the Mortgagee may pursue inconsistent remedies.

Section 5.6 Bidder at Foreclosure Sale. In the event of foreclosure on the lien of this Mortgage as provided herein, the Mortgagee or the then Owner or Owners of any of the Bonds secured hereby may become the purchaser at any foreclosure sale, if the highest bidder, so long as such purchase is made consistent with law and this Mortgage. Upon any such foreclosure sale, the Mortgagee shall execute and deliver a deed or deeds of conveyance of the premises or estate sold to the purchasers thereof, and any statement or recital of fact in such deed shall be prima facie evidence of the truth of such statement or recital.

Section 5.7 Application of Moneys. All moneys received by the Mortgagee pursuant to any right given or action taken under the provisions of this Article V shall be deposited and applied by the Mortgagee in accordance with Section 908 of the Indenture.

Section 5.8 Right of Bondowners to Direct Proceedings. Anything in this Mortgage to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Mortgagee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Mortgage or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law, the Indenture and this Mortgage.

Section 5.9 Notice of Defaults Under Section 5.1(d); Opportunity of the Lessee to Cure Defaults. Anything herein to the contrary notwithstanding, no default under Section 5.1(d) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given by the Mortgagee or by the Owners

of not less than a majority in aggregate principal amount of all Bonds then Outstanding to the Mortgagor and the Lessee, and the Lessee shall have had sixty (60) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected, or if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

## ARTICLE VI

### MISCELLANEOUS

Section 6.1 Governing Law. This Mortgage shall be governed by and construed in accordance with the laws of the State of Utah. In the event that any provision or clause of this Mortgage conflicts with applicable laws, such conflicts shall not affect other provisions of this Mortgage that can be given effect without the conflicting provision, and to this end the provisions of this Mortgage are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

Section 6.2 Release of Mortgage. The Mortgagee shall release this Mortgage and the lien and security interest granted hereby by proper instrument or instruments (a) upon presentation of satisfactory evidence that all interests hereby secured have been fully paid or discharged, (b) pursuant to Section 4.04 of the Fifteenth Amendment and (c) whenever and to the extent that the Indenture requires such release, including release pursuant to Article VII and Section 1404 of the Indenture and Section 605 of the Fifteenth Supplement.

Section 6.3 Prepayment. The Bonds and the Indenture contain certain provisions for the prepayment of the obligations set forth therein on various terms and conditions therein contained.

Section 6.4 Notices. Whenever the Mortgagor or the Mortgagee shall desire to give or serve any notice, demand, request or other communication with respect to this Mortgage, each such notice, demand, request or other communication shall be in writing and shall be effective only if the same is delivered by personal service, by overnight delivery service or by registered or certified mail, postage prepaid, return receipt requested, addressed to the addresses first hereinabove set forth for the Mortgagor and the Mortgagee, respectively. Any party may at any time change its address for such notices by delivering or mailing to the other party hereto, as aforesaid, a notice of such change.

Section 6.5 Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Mortgage.

Section 6.6 Invalidity of Certain Provisions. If the lien of this Mortgage is invalid or unenforceable as to any part of the obligations secured hereby, or if the lien is

invalid or unenforceable as to any part of the Mortgaged Property, the unsecured or partially secured portion of the obligations shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the obligations, and all payments made on the obligations, whether voluntarily or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the obligations that is not secured or fully secured by the lien of this Mortgage.

Section 6.7 Consents, etc., of Bondowners. Any consent, request, direction, approval, objection or other instrument required by this Mortgage to be signed and executed by the Bondowners may be given in the manner set forth in Section 1408 of the Indenture.

DATED as of the day and year first above written.

MORTGAGOR:

UTAH STATE BUILDING OWNERSHIP  
AUTHORITY

[SEAL]



*Walter Hebert*  
Chair

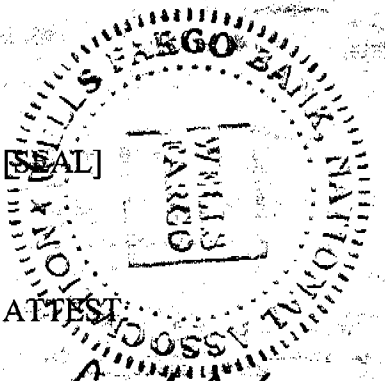
ATTEST:

*[Signature]*  
Secretary

MORTGAGEE:

WELLS FARGO BANK, N.A., as Trustee

[SEAL]



By: *[Signature]*  
Vice President

ATTEST:

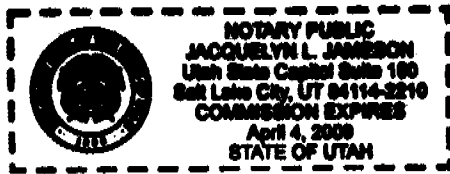
*Carl Mathis*  
Vice President

ACKNOWLEDGMENTS

STATE OF UTAH                    )  
  : SS.  
COUNTY OF SALT LAKE        )

On March 23 2009, the foregoing Mortgage, Security Agreement and Assignment of Rents (For DABC 2009A Store Facilities (Heber City Store)) was acknowledged before me by Gary R. Herbert, the Chair of the Utah State Building Ownership Authority.

(SEAL)

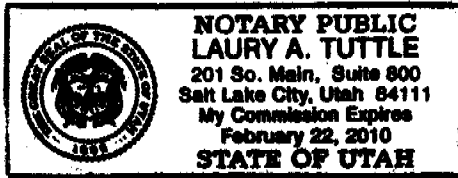


*Jacquelyn L. Jameson*  
NOTARY PUBLIC

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

On March 18, 2009, the foregoing Mortgage, Security Agreement and Assignment of Rents (For DABC 2009A Store Facilities (Heber City Store)) was acknowledged before me by Richard K. Ellis, the Secretary of the Utah State Building Ownership Authority.

(SEAL)

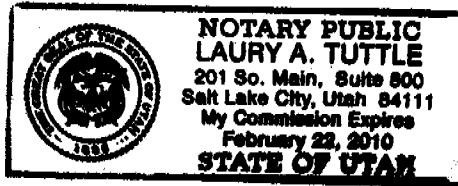


*Laury A. Tuttle*  
\_\_\_\_\_  
NOTARY PUBLIC

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

On March 24, 2009, the foregoing Mortgage, Security Agreement and Assignment of Rents (For DABC 2009A Store Facilities (Heber City Store)) was acknowledged before me by Laurel Bailey and Carl Mathis, both Vice Presidents of Wells Fargo Bank, N.A.

(SEAL)



*Laury A. Tuttle*  
\_\_\_\_\_  
NOTARY PUBLIC



EXHIBIT A

LEGAL DESCRIPTION

Description of the land located in Wasatch County, Utah, to wit:

(PARCEL 1)

LOT 3, HEBER GATEWAY PLAZA, ACCORDING TO THE OFFICIAL PLAT RECORDED DECEMBER 13, 2007, AS ENTRY NO. 329671 IN THE WASATCH COUNTY RECORDER'S OFFICE.

(PARCEL 2)

TOGETHER WITH THE NON-EXCLUSIVE RIGHT OF WAY OVER THE ACCESS EASEMENTS AS SHOWN ON THE RECORDED PLAT.