WHEN RECORDED, RETURN TO:

Zions First National Bank Real Estate Loan Department One South Main Street, Suite 1450 Salt Lake City, Utah 84111 Attn: Larry R. Hintze 8470817 12/24/2002 09:45 AM 25.00 Book - 8708 P9 - 8028-8035 GARY W. OTT RECORDER, SALT LAKE COUNTY, UTAK SECURITY TITLE INS AGENCY BY: RDJ, DEPUTY - WI 8 F.

ASSIGNM

573-71544,CP

ASSIGNMENT OF TENANT'S INTEREST IN GROUND LEASE FOR SECURITY

(Dee's West Valley)

This Assignment of Tenant's Interest in Ground Lease for Security (the "Assignment") is made and executed this 10 day of December, 2002 (the "Closing Date"), by Terratron Milwaukee, Inc., a Utah corporation ("Assignor") and Zions First National Bank, a national banking association ("Lender").

RECITALS

- A. Pursuant to the Promissory Note dated the Closing Date in which Roger W. Peters and Terratron, Inc., a Delaware corporation, collectively appear as "Borrower" and Lender appears as "Lender" (the "Note"), and pursuant to the Term Loan Agreement dated the Closing Date wherein Borrower appears as "Borrower" and Lender appears as "Lender" (the "Loan Agreement"), Lender has loaned the proceeds of the Note to Borrower.
- B. Pursuant to the Trust Deed, Assignment of Rents, Security Agreement and Fixture Filing dated the Closing Date (the "Dee's West Valley Trust Deed"), in which Assignor appears as "Trustor", Lender appears as "Trustee" and "Beneficiary", and which encumbers the real property together with the improvements thereon located in Salt Lake County, State of Utah, and more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"), Trustor has granted Lender a lien on the Property to secure the Note.
- C. The Property is affected by a Ground Lease dated August 3, 1982, in which Scott M. Waldron appears as "Lessee" and Dee's, Inc. ("Ground Lessor") appears as "Lessor" (the "Ground Lease"). Scott M. Waldron's right, title and interest in the Ground Lease was ultimately acquired by Assignor.
- D. Lender desires and Assignor agrees to further secure the Note and the Loan Agreement with an assignment of the Ground Lease.

AGREEMENT

In exchange for good and valuable consideration the sufficiency and receipt of which are hereby acknowledged, Assignor and Lender agree as follows:

- 1. Assignment. Assignor hereby absolutely and unconditionally assigns and transfers unto Lender for security all the right, title, and interest of Assignor in and to the Ground Lease, together with all extensions, renewals, modifications or replacements thereof, as well as all guaranties of Assignor's obligations under any provisions thereof and under any and all extensions and renewals thereof (collectively the "Lease"). This Assignment shall inure to the benefit of Lender, its successors and assigns as security for the payment of the principal and interest provided to be paid in or by the Note, the performance of the agreements of Assignor contained in the Loan Agreement, and the performance of the agreements of Borrower contained in the Loan Documents and any other document evidencing, securing, or relating to the disbursal or administration of the proceeds of the Note (all of which agreements and obligations are collectively referred to as the "Obligation").
- 2. <u>Default Remedies of Lender</u>. If Borrower defaults on the Obligation, or this Assignment or if an Event of Default occurs, Lender shall be authorized at its option to enter and take possession of all or part of the Property, to perform all acts necessary for the operation and maintenance of the Property, and to perform the obligations of Assignor under the Lease in the same manner and to the same extent that Assignor might reasonably so act. Lender shall further be authorized to replace Assignor as lessee under the Lease and, at is discretion, may assume Assignor's obligations thereunder. However, unless Lender affirmatively and expressly assumes Assignor's obligations under the Lease, Lender's liability to Ground Lessor shall be limited to those liabilities that run with the Property during the period of Lender's possession of the Property or ownership of Assignor's interest in the Lease.
- 3. <u>Termination of Assignment</u>. When Borrower pays Lender for the full amount of the Obligation and such payment is evidenced by a recorded satisfaction or release of the Dee's West Valley Trust Deed, this Assignment shall no longer be in effect and shall be void. Lender shall execute such instruments as may be reasonably required to evidence the termination of this Assignment.
- 4. Notice to Ground Lessor of Borrower's Default. Assignor shall irrevocably authorize Ground Lessor, upon demand and notice from Lender of Borrower's default under the Loan Documents, to accept from Lender performance of Assignor's obligations under the Lease. In such situation, Lender shall not be liable to Ground Lessor for the determination of the actual existence of any default claimed by Lender. Ground Lessor shall have the right to rely upon any such notices from Lender, without any obligation or right to inquire as to the actual existence of the default, notwithstanding any claim of Assignor to the contrary. Upon the curing of all defaults caused by Borrower under the Loan Documents, Lender shall give Ground Lessor written notice of such cure.

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- 5. <u>Assignment of Assignor's Interest in Lease</u>. Lender shall have the right to assign Assignor's right, title, and interest in the Lease to any subsequent holder of the Note and to any person acquiring title to the Property through foreclosure or otherwise consistent with the terms of the Lease.
- 6. <u>Indemnification of Lender</u>. Assignor shall indemnify and hold Lender harmless of and from any and all liability, loss, or damage that Lender may incur under the Lease or by reason of this Assignment other than such liability, loss, or damage as may be occasioned by Lender's gross negligence or willful misconduct. Such indemnification shall also cover any and all claims that may be asserted against Lender by reason of any alleged obligation to be performed by Lender under the Lease or Assignment. Nothing in this paragraph shall be construed to bind Lender to the performance of any Lease provisions, or to otherwise impose any liability upon Lender. This Assignment shall not impose liability upon Lender for the operation and maintenance of the premises or for carrying out the Lease terms before Lender has entered and taken possession of the premises. Any loss or liability incurred by Lender by reason of actual entry and taking possession under the Lease or in the defense of any claims shall, at Lender's request, be reimbursed by Assignor. Such reimbursement shall include interest at the rate of three percent (3%) per annum above Lender's Prime Rate (as defined in the Note), costs, expenses, and reasonable attorneys' fees.
- 7. Quality of Assignor's Title to Lease. Assignor represents itself to be the absolute owner of the leasehold interest in the Lease, with right and title to assign it consistent with the terms of the Lease; that the Lease is valid, in full force and effect, and has not been modified or amended except as stated herein; that there is no outstanding assignment or pledge thereof; that there are no existing defaults under the provisions thereof on the part of any party; and that Assignor or Assignor's tenant is in possession and Assignor is paying rent and other charges under the Lease as provided therein. Assignor covenants not to cancel, abridge, surrender, or terminate the Lease or change, alter, or modify it without the prior written consent of Lender. Any attempt at cancellation, surrender, termination, change, alteration, modification, assignment, or subordination of the Lease without the written consent of Lender shall be null and void.
- 8. No Merger. If the Property is under any lease or any portion thereof which constitutes a part of the Property shall at any time become vested in one owner, this Assignment and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger and, in such event, Lender shall continue to have and enjoy all of the rights and privileges of Lender as to the separate estates. In addition, upon the foreclosure of the lien created by this Assignment on the Property pursuant to the provisions of this Assignment, any leases or subleases then existing and created by Assignor shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Lender or any purchaser at any such foreclosure sale shall so elect. No act by or on behalf of Lender or any such purchaser shall constitute a termination of any lease or sublease unless Lender or such purchaser shall give written notice thereof to such tenant or subtenant.

- 9. <u>Delivery of Necessary Instruments to Lender</u>. Assignor shall execute and deliver to Lender and hereby irrevocably appoints Lender, its successors, and assigns as its attorney in fact to execute and deliver during the term of this Assignment, all further instruments as Lender may deem necessary to make this Assignment and any further assignment effective. The power hereby granted is coupled with an interest in the Property and is irrevocable.
- 10. Lease Guaranties; Assignment of Lease; Alterations of Premises. Assignor shall not alter, modify, cancel or terminate any guaranties of the Lease without the written consent of Lender. Assignor shall not consent to any Lease assignment or subletting, nor agree to a subordination of the Lease to any mortgage or other encumbrance, other than that of Lender, now or hereafter affecting the Property without Lender's prior written consent. Assignor shall not permit a material alteration of or addition to the Property without Lender's prior written consent.
- 11. <u>Assignor to Ensure Continued Performance under Lease</u>. Assignor shall perform all of its covenants as lessee under the Lease, including the obligation to pay rent to Ground Lessor. Assignor shall promptly deliver to Lender copies of all notices of default Assignor has received or may hereafter receive from Ground Lessor.
- 12. Changes in Obligation Terms. Notwithstanding any variation of the terms of the Loan Documents, including increase or decrease in the principal amount thereof or in the rate of interest payable thereunder or any extension of time for payment thereunder or any release of part or parts of the real property subject to the Dee's West Valley Trust Deed, the Lease and the benefits hereby assigned shall continue as additional security in accordance with the terms of this Assignment.
- 13. Additions to and Replacement of Obligation. Lender may take security in addition to the security already given Lender for the payment of the principal and interest provided to be paid in or by the Loan Documents or release such other security, and may release any party primarily or secondarily liable on the Loan Documents, may grant or make extensions, renewals, modifications, or indulgences with respect to the Loan Documents and replacements thereof, which replacement of the Loan Documents may be on the same or on terms different from the present terms of the Loan Documents, and may apply any other security thereof held by it to the satisfaction of the Obligation, without prejudice to any of its rights hereunder.
- 14. Exercise of Lender's Rights. Lender's failure to avail itself of any of its rights under this Assignment for any period of time, or at any time or times, shall not constitute a waiver thereof. Lender's rights and remedies hereunder are cumulative, and not in lieu of, but in addition to, any other rights and remedies Lender has under the Obligation and Dee's West Valley Trust Deed. Lender's rights and remedies hereunder may be exercised as often as Lender deems expedient.
- 15. <u>Amendment, Modification, or Cancellation of Assignment.</u> No amendment, modification, cancellation, or discharge hereof, or of any part hereof, shall be enforceable without Lender's prior written consent.

16. <u>Notices</u>. All notices shall be in writing and shall be deemed to have been sufficiently given or served when personally delivered or when deposited in the United States mail, by registered or certified mail, addressed as follows:

Lender: Zions First National Bank

Real Estate Loan Department One South Main Street, Suite 1450

Salt Lake City, Utah 84111 Attn: Larry R. Hintze

With copies to: Callister Nebeker & McCullough

Gateway Tower East, Suite 900

10 East South Temple Salt Lake City, Utah 84133 Attn: John B. Lindsay

Assignor: Terratron Milwaukee, Inc.

340 Main Street, Suite 200

P.O. Box 3208

Park City, Utah 84060-3208 Attn: Roger W. Peters

With copies to: Parsons Behle & Latimer

201 South Main, Suite 1800 Salt Lake City, Utah 84111

Attn: Craig B. Terry

Such addresses may be changed by notice to the other party given in the same manner provided in this Section.

- 17. <u>Binding Effect</u>. All agreements herein shall inure to the benefit of, and bind the respective heirs, executors, administrators, successors, and assigns of Assignor and Lender.
- 18. <u>Governing Law</u>. This Assignment shall be governed by, construed and interpreted in accordance with the laws of the State of Utah.
- 19. <u>Attorneys' Fees</u>. In the event Lender institutes legal action against Assignor with respect to this Assignment, Lender shall be entitled to an award of reasonable attorneys' fees from Assignor. Lender shall also be entitled to collect all reasonable attorneys' fees and costs incurred with respect to any insolvency or bankruptcy action or proceeding involving Assignor.

20. <u>Defined Terms</u>. Unless otherwise defined in this Assignment, capitalized terms used herein have the meanings given them in the Loan Agreement.

DATED: December <u>20</u>, 2002.

ASSIGNOR

TERRATRON MILWAUKEE, INC.,

a Utah corporation

By:

Roger W. Peters

President

LENDER

ZIONS FIRST NATIONAL BANK,

a national banking association

By:

Larry R. Hintze

Vice President

STATE OF UTAH)	
	: SS.	
COUNTY OF SALT LAKE)	
The foregoing instrument wa by Roger W. Peters, President of Te	rratron Milwaukee	Luise L. Crane
	NOTARY	FUBLIC
My Commission Expires:	Residing .	At:
08-11-2004		SLC, Utall
STATE OF UTAH COUNTY OF SALT LAKE The foregoing instrument was) : ss.) s acknowledged be	NOTARY PUBLIC DENESE L. CRANE 326 South 500 East Salt Lake City, Utah 84102 My Commission Expires August 11, 2004 STATE OF UTAH day of December, 2002,
by Larry R. Hintze, Vice President o	f Zions First Natio	nal Bank, a national banking association.
	NOTARY	PUBLIC Crane
My Commission Expires:	Residing A	At:
08-11-2004		SLC, Utah

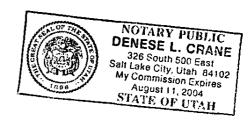


EXHIBIT A

REAL PROPERTY DESCRIPTION

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

Beginning at a point 2 rods North and 2 rods West from the Southeast corner of Section 26, Township 1 South, Range 2 West, Salt Lake Base and Meridian, and running thence North 190 feet along the West line of 5600 West Street; thence West 190 feet; thence South 190 feet to the North line of 3500 South Street; thence East along said North line 190 feet to the point of beginning.

Less and Excepting the following:

All of that parcel of land conveyed by Dee's Inc., a Corporation organized and existing under the laws of the State of Utah to West Valley City municipal Corporation in that certain Warranty Deed dated November 20, 1980, recorded December 17, 1980, as Entry No. 3514817, in Book 5191, at Page 1090, in the Salt Lake County Recorder's Office, and being more particularly described as follows:

Beginning at a point North 0°09 '50" West along the section line 33.00 feet and South 89°59'10" West 33.00 feet from the Southeast corner of Section 26, Township 1 South, Range 2 West, Salt Lake Base and Meridian, and running thence South 89°59'10" West 190.00 feet; thence 0°09'50" West 7.00 feet; thence North 89°59'10" East 170.00 feet; thence North 0°09'50" West 183.00 feet; thence North 89°59'10" East 20.00 feet; thence South 0°09'50" East 190.00 feet to the point of beginning. (14-26-476-008)