

WHEN RECORDED RETURN TO:

JF Union Member, LLC  
1148 W. Legacy Crossing Blvd., Suite 400  
Centerville, Utah 84014

CT-112421-CAT

13064510  
8/30/2019 3:54:00 PM \$40.00  
Book - 10824 Pg - 2761-2770  
RASHELLE HOBBS  
Recorder, Salt Lake County, UT  
COTTONWOOD TITLE  
BY: eCASH, DEPUTY - EF 10 P.

### TRUST DEED and SECURITY AGREEMENT

TIN 21-25-261-033

**THIS TRUST DEED** is made effective as of the <sup>30<sup>th</sup></sup> day of August, 2019 by and among JF Union Partners, LLC, a Utah limited liability company, as "Grantor", Cottonwood Title Insurance Agency, Inc., a Utah corporation, as "Trustee", and JF Union Member, LLC, a Utah limited liability company, as "Beneficiary".

Grantor, does hereby grant and convey, WITH POWER OF SALE, to the Trustee in trust, and to any assignee or transferee of the Trustee, all of Grantor's right, title and interest in and to

The fee interest in real property (and any and all improvements now or hereafter located thereon) described as: The real property (and any and all improvements now or hereafter located thereon) situated in the Salt Lake County, State of Utah, described in Exhibit A (the "Real Property")

Together with all the tenements, hereditaments and appurtenances, and all other rights belonging to the Real Property, including those which may later be found to belong or appertain, and the rents, issues, and profits therefrom, and any and all fixtures upon the Property at the time of the execution of this Trust Deed or at any time during the term of this Trust Deed (together with the Real Property, the "Property").

This conveyance, and the security interest granted pursuant to Section 2, secure performance of Grantor's obligations under that certain promissory note dated August 27, 2019 (the "Note") in the principal amount of \$300,000.00 in favor of Beneficiary (the "Secured Obligations").

#### 1. COVENANTS

Grantor covenants as follows:

(1) **Title:** The Grantor is the legal owner of a fee interest in the Property free of liens or encumbrances except liens or encumbrances which do not adversely affect the security interest of this Trust Deed. Grantor will warrant and defend its title against the claims and demands of all other persons.

(2) **Performance:** The Grantor will strictly perform all obligations imposed upon Grantor by this Trust Deed.

(3) **Maintain Property:** The Grantor will protect, preserve, and maintain all the improvements erected or to be erected on the Property in good order and repair and will not permit or cause any waste of the Property, and will complete or restore promptly and in a good and workmanlike manner any improvement which may be constructed, damaged, or destroyed.

(4) **Insurance:** The Grantor will (a) maintain comprehensive general liability and property damage insurance, naming each Beneficiary as an additional insured, covering the Building and the Property and the work and business conducted thereon with such limits as Beneficiary may reasonably request from time to time, and (b) keep all improvements insured against loss or damage by fire and flood, with extended coverage, and with a standard lender's loss payable clause for the benefit of each Beneficiary, to the extent of the full replacement value of such improvements, in each case in a company or companies acceptable to Beneficiary, and will deliver copies of all the policies and renewals to Beneficiary. Grantor agrees that it will comply with the requirements of Beneficiary as to the purchase and maintenance of flood insurance, as those requirements are established by Beneficiary's policies and requirements in effect from time to time. It is the Grantor's responsibility to maintain the above insurance coverage until the obligations secured by this Trust Deed are satisfied. Nothing in this paragraph shall be construed to mean that Grantor's obligations under this Trust Deed shall be altered or discharged due to the existence of insurance coverage. Beneficiary does not need to await payment of, or resolution of litigation as to, insurance proceeds before seeking any other remedy.

(5) **Liens, Taxes, and Assessments:** The Grantor will, so long as this Trust Deed remains in force, keep the Property free from construction liens and will timely pay all taxes, assessments, charges, or liens that may be levied or assessed upon the Property, before any tax, assessment, charge or lien becomes past due or delinquent, and before commencement of any foreclosure or collection proceedings which may threaten the security of this Trust Deed. Grantor further agrees to obtain Beneficiary's written consent prior to placing or allowing any further liens or encumbrances on the Property (other than Permitted Encumbrances, encumbrances required by any governmental agency in connection with the low-income housing use of the Property, and encumbrances to which this Trust Deed is subordinated pursuant to this Agreement), which consent shall not be unreasonably withheld provided that such liens or encumbrances are subordinate to the lien of this Trust Deed.

(6) **Senior Liens Kept Current:** The Grantor shall timely make all payments due under any senior liens encumbering the Property, including any liens to which this Trust Deed is subordinated pursuant to Section 7(1) below.

(7) **Compliance with Laws.** Grantor shall promptly comply with all federal, state, and local laws, ordinances and regulations, applicable to the use or occupancy of the Property or any improvements thereon. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Beneficiary's interest in the Property is not jeopardized.

(8) **Failure to Comply with Covenants.** Should Grantor default in the performance of any of the above covenants relating to payments of insurance, liens, taxes, assessments, or other charges, and fail to cure such default within the cure period set forth below, Beneficiary may elect to pay any such amount (which under this Trust Deed is the sole obligation of Grantor) and any payment so made will be added to the debt secured by this Trust Deed and shall bear interest at twelve percent (12%) per annum until paid. Any such payment by Beneficiary shall not be a waiver of default.

## **2. SECURITY AGREEMENT**

As additional security for the Secured Obligations, Grantor hereby grants to Beneficiary a continuing security interest in and lien upon Grantor's right, title, and interest in and to all general intangibles relating to the Property or the development thereof whether now owned or hereafter acquired, and wherever located. Grantor agrees to execute such financing statements (including fixture filings) and other instruments or documents (including assignments of contracts) and to take such other action as may be required to perfect or to continue the perfection of Lender's security interest in such collateral. The parties agree that a photographic or other reproduction of this Trust Deed shall be sufficient as a financing statement and may be filed in any appropriate office in lieu thereof to the extent permitted by law.

## **3. EVENTS OF DEFAULT**

**Time is of the essence of this Trust Deed.** Any of the following shall be a default under this Trust Deed:

(1) Grantor fails to perform or abide by any covenant in this Trust Deed and such failure, to the extent curable, is not cured within thirty (30) days after written notice from Beneficiary specifying the default in reasonable detail, or, if such breach cannot with due diligence be cured within such period, if Grantor shall fail within such thirty (30)-day period to commence cure of the failure and thereafter diligently prosecute to completion such cure (which cure in any event shall occur within sixty (60) days after the default notice).

(2) Grantor defaults under any other loan (including any bond financing) secured by the Property;

(3) Grantor transfers the Property, or any portion thereof.

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

Upon the occurrence of a default, but subject to any limitations in the Note, Trustee or Beneficiary may exercise any one or more of the following rights and remedies:

(1) Beneficiary may declare any and all sums secured hereby immediately due and payable.

(2) Beneficiary may direct the Trustee to foreclose by notice and sale, or Beneficiary shall have the right to foreclose by judicial foreclosure, in either case in accordance with applicable law.

(3) Beneficiary shall have the right, without notice to Grantor, to reenter and take possession of the Property and collect the rents, issues, profits and revenues, including amounts past due and unpaid, and apply the net proceeds, over and above Beneficiary's costs, against the indebtedness hereunder. In furtherance of this right, Beneficiary may require any tenant or other user to make payments of rent or use fees directly to Beneficiary. If receipts are collected by Beneficiary, then Grantor irrevocably designates Beneficiary as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Beneficiary may exercise its rights under this paragraph either in person, by agent or through a receiver.

(4) Beneficiary shall have the right to have a receiver appointed to take possession of any or all of the Property described above, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, to collect the rents, issues, profits and revenues from the Property and apply the proceeds, over and above the cost of the receivership, against the indebtedness secured hereby or due hereunder. The receiver may serve without bond if permitted by law. Beneficiary's right to the appointment of a receiver shall exist whether or not apparent value of the Property exceeds the indebtedness secured hereby or due hereunder by a substantial amount. Employment by Beneficiary or an assignee of Beneficiary shall not disqualify a person from serving as a receiver.

(5) Intentionally Deleted.

(6) In the event Grantor remains in possession of the Property after it is sold as provided above or Beneficiary otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant (or subtenant, as the caseway be) at will of Beneficiary for the purchaser of the Property and shall pay a reasonable rental for use of the Property while in Grantor's possession.

(7) With respect to any personal property subject to a security interest in favor of Beneficiary, Beneficiary may exercise any and all of the rights and remedies of a secured party under the Uniform Commercial Code.

(8) Should a default occur under this Trust Deed or the promissory note, Beneficiary will provide prompt notice to NEF Assignment Corporation, and/or its affiliated entity as the investor member of Grantor (the "Investor Member"), of such default or Event of Default and the Investor Member, including any successor or assign, shall have the right to cure such default or Event of Default within 30 days after receipt of such notice, or such additional time as may be reasonably necessary to cure such default or Event of Default and Beneficiary agrees, during such period, not to exercise its remedies under this Trust Deed or the other Loan Documents. The election to cure any such default or Event of Default shall be in the sole and absolute discretion of the Investor Member.

(9) If the Investor Member makes any such deficiency payment or performs Grantor's defaulted obligations under this Trust Deed or the promissory note during any such period herein, Beneficiary shall be obligated to perform under this Trust Deed and the other promissory note.

In exercising its rights and remedies, the Trustee or Beneficiary may cause the Property described above to be sold as a whole or in parcels, and certain portions of the Property may be sold without selling other portions. Beneficiary may bid at any public sale on all or any portion of the Property. All remedies under this Trust Deed are cumulative and not exclusive. Any election to pursue one remedy shall not preclude the exercise of any other remedy.

(10) Notwithstanding anything to the contrary contained herein, the Beneficiary may not exercise any remedy including report of re-entry or remedy of receivership or foreclosure under this Trust Deed prior to the latest date as shall constitute the final day of the "Compliance Period" under Section 42 of the International Revenue Code with respect to the Property.

## **5. CONDEMNATION**

Subject to the rights of any senior lender, and after applying such "Condemnation Proceeds" (defined below) as are necessary for restoration and repair of improvements, Beneficiary shall be entitled to all compensation, awards and other payments or relief related to condemnation (up to the amount of the outstanding indebtedness secured hereby) and shall be entitled, at its sole option, to commence, appear in and prosecute in its own name any such action or proceeding. Beneficiary shall also be entitled to make any compromise or settlement in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds awarded to Grantor ("Condemnation Proceeds") are hereby assigned to Beneficiary, and Grantor agrees to execute such further assignments of the Condemnation Proceeds as Beneficiary may require. After applying such Condemnation Proceeds as are necessary for restoration and repair of improvements, Beneficiary shall have the right to apply such Condemnation Proceeds, after deducting therefrom all costs and expenses regardless of the particular nature thereof and whether incurred with or without suit, including reasonable attorney fees incurred by Beneficiary in connection with such Condemnation Proceeds, upon all or part of the indebtedness secured by this Trust Deed in such order as Beneficiary may determine, without regard to whether or not the security of Beneficiary is impaired.

## **6. NOTICES.**

All notices required or permitted hereunder shall be in writing and shall be served on the Parties at the following address:

If to Grantor

JF Union Partners, LLC  
1148 W. Legacy Crossing Blvd., Suite 400  
Centerville, Utah 84014

If to Beneficiary

JF Union Member, LLC  
1148 W. Legacy Crossing Blvd., Suite 400  
Centerville, Utah 84014

If to Trustee

Cottonwood Title Insurance Agency, Inc.  
1996 East 6400 South Suite 120  
Salt Lake City, UT 84121

If to Investor Member:

NEF Assignment Corporation  
10 South Riverside Plaza, Suite 1700  
Chicago, IL 60606  
Attention: General Counsel

Copies of any notice provided to Grantor shall also be provided to the member(s) of Grantor as set forth above (or at such other address as may be designated in accordance with such operating agreement of Grantor.)

## 7. MISCELLANEOUS

(1) **Subordination.** Upon written request from Grantor and so long as Grantor is not in default of this Trust Deed, Beneficiary shall execute such documents as are reasonably required in order to subordinate the lien of this Trust Deed to the lien of a commercial trust deed in favor of Grantor's lender(s) (including any bond trustee if bond financing is used) to the extent that such trust deed secures funds for the construction of improvements located upon the Property or secures any permanent loan secured by the Property and/or the encumbrance of any project use agreement or restrictive covenant required as a condition of funding any grant or loan relating to acquisition or development of the Property. If, as a result of any such subordination, the requirements of this Trust Deed and the security instrument recorded in favor of the superior lender are in conflict or inconsistent, the stricter requirement will control.

(2) **Severability.** If any of the provisions contained in this Trust Deed shall be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions in this Trust Deed shall not be affected.

(3) **Attorney Fees.** In case suit or action is instituted to foreclose this Trust Deed, the prevailing party shall receive from the losing party in such suit or action such additional sum as the court may adjudge reasonable as attorneys' fees, expenses, and costs in said suit or action, or on any appeal therefrom, including, but not limited by, those fees and expenses permitted or defined by statutory law, and including without limitation all fees and

expenses incurred at trial, on appeal, on petition for review, arbitration, mediation and in a bankruptcy proceeding.

(4) **Interpretation.** In construing this Trust Deed, it is understood that the Grantor or Beneficiary may be more than one person; that if the context so requires the singular shall be taken to mean and include the plural; that the masculine shall mean the feminine and the neuter; and that generally all grammatical changes shall be made, assumed, and implied to make the provisions in this Trust Deed apply equally to corporations, partnerships, and individuals.

(5) **Assignment.** Grantor may only assign its rights and obligations hereunder with the written approval of Beneficiary and its investor member; provided, however, that no assignment shall invalidate or impair the effectiveness of this Trust Deed or the covenants contained herein.

*[Remainder of page intentionally left blank]*

**SIGNATURE PAGE  
TRUST DEED**

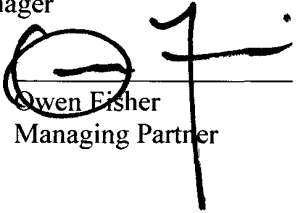
**IN WITNESS WHEREOF**, Grantor has executed this Trust Deed this 27<sup>th</sup> day of August, 2019.

JF UNION PARTNERS, LLC,  
a Utah limited liability company

By: JF Union Member, LLC, a Utah limited liability company, Managing Member

By: JF Capital, LLC, a Utah limited liability company, its manager

By: J. Fisher Companies, LLC, a Utah limited liability company its manager

By:   
Owen Fisher  
Managing Partner

STATE OF UTAH )



:ss.

COUNTY OF DAVIS )

On the 27<sup>th</sup> day of August, 2019 personally appeared before me Owen Fisher, being duly sworn, did say that he is the Managing Partner of J. Fisher Companies, LLC, a Utah limited liability company, the Manager of JF Capital, LLC, a Utah limited liability company, the Manager of JF Union Member, LLC, a Utah limited liability company, the Managing Member of JF Uion Partners, LLC, a Utah limited liability company, and that the within and foregoing instrument was signed by him on behalf of said limited liability company by authority of appropriate Resolutions and their respective Operating Agreements, and acknowledged to me that said limited liability company executed the same.

[SEAL]



  
NOTARY PUBLIC  
Residing in DAVIS County

**EXHIBIT A**  
**REAL PROPERTY**

PARCEL 1:

Beginning at a point which is South 1517.71 feet and East 27.86 feet from the North quarter corner of Section 25, Township 2 South, Range 1 West, Salt Lake Base and Meridian; said North quarter corner being North 00°18'38" East along the basis of bearing, 2640.92 feet and South 89°41'48" East, 2617.36 feet from the West quarter corner of said Section 25; and running thence East 188.00 feet to the West line of Cottonwood Street; thence along said West line of Cottonwood Street the following two (2) courses: South 00°20'00" West 192.51 feet; thence South 00°48'59" West, 237.69 feet; thence South 46°27'59" West 39.04 feet; thence North 89°43'00" West 337.16 feet, more or less to the Easterly boundary of UDOT Parcel; thence North 262.89 feet along the Easterly deed line of the UDOT and G6 Hospitality Property LLC (Entry No. 11465272 in Book 10053 at Page 3535) and along an existing fence line to a point on the deed line of the LQ Properties LLC (Entry No. 9664413 in Book 9267 at Page 6701); thence along said LQ Properties deed line the following four (4) courses: East 194.96 feet; thence North 50.00 feet; thence West 13.00 feet; thence North 142.51 feet to the point of beginning.

PARCEL 1A:

An easement for a storm drainage line as described in that certain Easement Agreement, dated October 6, 1993 and recorded October 29, 1993 as Entry No. 5642379 in Book 6788 at Page 1714.