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WHEN RECORDED MAIL TO:

Kent H. Collins  
 Stephen M. Sargent  
 Parr Waddoups Brown Gee & Loveless  
 185 South State Street, Suite 1300  
 Salt Lake City, Utah 84111

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 RANDALL A. COVINGTON  
 UTAH COUNTY RECORDER  
 2001 Jun 01 5:00 pm FEE 28.00 BY SS  
 RECORDED FOR SIGNATURE TITLE

SECOND TRUST DEED

THIS SECOND TRUST DEED (this "Trust Deed"), is made this \_\_\_ day of May, 2001, among Harmony Square, LLC (also known as Harmony Square LLC and Harmony Square, L.L.C.), a Utah limited liability company with a principal address of 35 North Barratt Avenue, American Fork, Utah 84003, as Trustor, Associated Title Company, a Utah corporation with a principal address of 560 South 300 East, Salt Lake City, Utah 84111, as Trustee, and Paradigm Development, LC, a Utah limited liability company with a principal address of 6955 Fort Union Boulevard, Suite 320, Midvale, Utah 84047, as Beneficiary.

W I T N E S S E T H

FOR VALUABLE CONSIDERATION RECEIVED, TRUSTOR HEREBY GRANTS, BARGAINS, SELLS, CONVEYS AND CONFIRMS TO TRUSTEE IN TRUST, WITH POWER OF SALE, the tracts of real property situated in Utah County, State of Utah that are more particularly described on Exhibit A attached hereto and incorporated herein by this reference, together with all buildings, fixtures and improvements thereon, rights of way, easements, rents, issues, profits, income, tenements, hereditaments, privileges and appurtenances thereunto belonging, now or hereafter used or enjoyed with such tract of real property, or any part thereof (the real property and such other property are collectively referred to in this Trust Deed as the "Real Property"); SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits.

This Trust Deed is given for the purpose of securing (1) payment of the indebtedness evidenced by a Promissory Note of even date hereof in the principal sum of Three Hundred Thirty Thousand and 00/100 Dollars (\$330,000) made by Trustor and payable to Beneficiary at the time, place and in the manner and with the interest as therein set forth, and any extensions and/or renewals or modifications thereof (the "Note"); (2) the performance of each agreement of Trustor herein contained; and (3) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms hereof, together with interest thereon as herein provided.

**To Protect The Security of This Trust Deed, Trustor Agrees:**

1. To appear in and defend any action or proceeding purporting to affect the security hereof, the title to the Real Property, or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to appear in or defend any such action or proceeding, to pay all costs

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and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum incurred by Beneficiary or Trustee.

2. To pay at least ten days before delinquency all taxes and assessments affecting the Real Property; and to pay, when due, all encumbrances, charges and liens with interest, on the Real Property or any part thereof, which at any time appear to be prior or superior hereto.

3. Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: (a) make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Real Property for such purposes; (b) commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (c) pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and (d) in exercising any such power, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title and reasonable attorneys' fees.

4. To pay, within thirty days after written demand, all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate of fifteen percent per annum until paid, and the repayment thereof shall be secured hereby.

**IT IS MUTUALLY AGREED THAT:**

5. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Trust Deed and the Note for endorsement (in case of full reconveyance, for cancellation and retention) without affecting the liability of any person for the payment of the indebtedness secured hereby, and without releasing the interest of any party joining in this Trust Deed, Trustee may reconvey, without warranty, all or any part of the Real Property. The grantee in any reconveyance may be described as "the person or persons entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Any partial reconveyance shall not diminish Trustor's liability for the obligations evidenced by the Note and shall not affect or impair the lien of this Trust Deed with respect to the remaining portion of the Real Property. This Trust Deed need not accompany a request for partial reconveyance but, upon Trustee's demand, Beneficiary shall provide Trustee with evidence that Beneficiary is the current holder of the Note. Trustor agrees to pay reasonable trustee's fees for any of the services mentioned in this paragraph.

6. As additional security, Trustor hereby assigns to Beneficiary, during the continuance of this Trust Deed, all rents, issues, royalties, and profits of the Real Property. Except as provided in the Note, and until there is a default by Trustor in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Trustor shall have the right to collect all such rents, issues, royalties, and profits earned prior to default as they

become due and payable. If there shall be a default as aforesaid, Trustor's right to collect any of such monies shall cease and Beneficiary shall have the right, with or without taking possession of the Real Property, to collect all rents, royalties, issues, and profits. Failure or discontinuance of the Real Property, to collect all rents, royalties, issues, and profits. Failure or discontinuance of Beneficiary at any time or from time to time to collect any such monies shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power, and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Trust Deed to any such tenancy, lease or option.

7. Upon the occurrence of any default hereunder, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court (Trustor hereby consenting to the appointment of Beneficiary as such receiver), and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Real Property or any part thereof, in its own name sue for or otherwise collect said 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 indebtedness secured hereby, and in such order as Beneficiary may determine.

8. The entering upon and taking possession of the Real Property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of the Real Property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

9. The failure on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Beneficiary of any default shall not constitute a waiver of any other or subsequent default.

10. Time is of the essence hereof. Upon the occurrence of a default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of Beneficiary.

11. Upon the occurrence of any default hereunder, Beneficiary shall have the option to declare all sums secured hereby immediately due and payable and foreclose this Trust Deed pursuant to the laws of the State of Utah relating to deeds of trust or in the manner provided by law for the foreclosure of mortgages on real property and Beneficiary shall be entitled to recover in such proceedings all costs and expenses incident thereto, including reasonable attorneys' fees in such amount as shall be fixed by the court.

12. Beneficiary may appoint a successor trustee at any time by filing for record in the office of the County Recorder of each county in which the Real Property or some part thereof is situated, a substitution of trustee. From the time the substitution is filed for record, the new trustee shall succeed to all the powers, duties, authority and title of the trustee named herein or

of any successor trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made, in the manner provided by law.

13. This Trust Deed shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the owner and holder, including any pledgee, of the Note. In this Trust Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

14. Trustee accepts this Trust when this Trust Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Trust Deed or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

15. This Trust Deed shall be construed according to the laws of the State of Utah.

16. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to it at the address hereinbefore set forth.

"TRUSTOR"

Harmony Square, LLC, a Utah limited liability company

By:   
Rodger M. Graham, Manager

"BENEFICIARY"

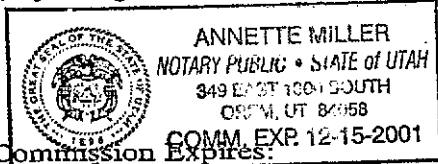
Paradigm Development, LC, a Utah limited liability company

By:   
Ronald C. Gunnell, Manager

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STATE OF UTAH )  
COUNTY OF UTAH ) ss.

The foregoing instrument was acknowledged before me this 25<sup>th</sup> day of May 2001, by Rodger M. Graham, acting in his capacity as manager of Harmony Square, LLC.

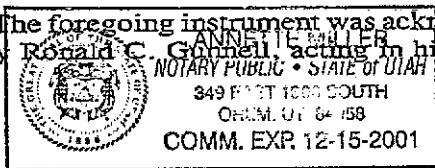


My Commission Expires: 12-15-2001

Annette Miller  
NOTARY PUBLIC  
Residing at: AMERICAN FORK, UT

STATE OF UTAH )  
COUNTY OF UTAH ) ss.

The foregoing instrument was acknowledged before me this 25<sup>th</sup> day of May, 2001, by Ronald C. Gunnell, acting in his capacity as manager of Paradigm Development, LC.



My Commission Expires: 12-15-2001

Annette Miller  
NOTARY PUBLIC  
Residing at: AMERICAN FORK, UT

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EXHIBIT A  
PROPERTY

The real property referred to in the foregoing Second Trust Deed is located in Utah County, State of Utah, and is more particularly described as follows:

PARCEL 1: (2:33:40)

Commencing 3.64 chains North and 125.64 feet West of the Southeast corner of Block 20, Plat "A," American Fork City Survey of Building Lots, Utah County, Utah; thence West 217.23 feet; thence North 65.34 feet; thence East 217.23 feet; thence South 65.34 feet to the point of beginning.

Excepting therefrom any portion lying within the Bounds of Barratt Avenue.

PARCEL 2: (2:33:7)

Commencing 3.434 chains West of the Southeast corner of Lot 1, Block 20, Plat "A," American Fork City Survey of Building Lots; thence West 99 feet; thence North 140 feet; thence East 99 feet; thence South 140 feet to the place of beginning.

PARCEL 3: (2:33:9)

Commencing at a point which is 226.63 feet West and 140.0 feet North from the Southeast corner of Block 20, Plat "A," of the American Fork City Survey of Building Lots; thence West 99.0 feet to the East line of Barratt Avenue; thence North 33.50 feet; thence East 99.0 feet; thence South 33.5 feet to the place of beginning.

PARCEL 4: (2:33:8)

Commencing 3.434 chains West and 2.63 chains North of the Southeast corner of Lot 1, in Block 20, Plat "A," American Fork City Survey of Building Lots; thence running West 99.0 feet; thence North 1 rod; thence East 99.0 feet; thence South 1 rod to place of beginning.

PARCEL 5 (2:33:3)

Beginning at a point 2.89 chains North and West 2 chains 11.6 links from the Southeast corner of Block 20, Plat "A," American Fork City Survey of Building Lots; thence West 2 chains 82.4 links; thence North 0.75 chains; thence East 2 chains 82.4 links; thence South 0.75 chains to the point of beginning.

PARCEL 6 (2:33:24)

Commencing at the Southwest corner of Lot 5, Block 20, Plat "A", AMERICAN FORK CITY SURVEY OF BUILDING LOTS; thence North 165 feet; thence East 169.36 feet; thence South 165 feet; thence West 169.36 feet to the place of beginning.

Also: Commencing 190 feet North and 128.4 feet East of the Southwest Corner of Lot 1, Block 20, Plat "A", AMERICAN FORK CITY SURVEY OF BUILDING LOTS; thence North 165 feet; thence East 171.6 feet; thence South 165 feet; thence West 171.6 feet to the place of beginning.

PARCEL 7 (2:33:11)

Commencing 190 feet North of the Southwest corner of Lot 1, Block 20, Plat "A", AMERICAN FORK CITY SURVEY OF BUILDING LOTS; thence North 165 feet; thence East 128.5 feet; thence South 165 feet; thence West 128.5 feet to the point of beginning.

PARCEL 8 (2:33:33)

Commencing at the Southeast Corner of Lot 2, Block 20, Plat "A", AMERICAN FORK CITY SURVEY; thence North 1.25 chains; thence West 2 chains; thence South 1.25 chains; thence East 2 chains to the point of beginning.