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

From

BP-UT 2, LLC,
a Delaware limited liability company
(the "Trustor")

To

INTEGRATED TITLE INSURANCE SERVICES, LLC,
as Trustee
(the "Trustee")

and

CITIBANK USA, NATIONAL ASSOCIATION,
A national banking association
(the "Beneficiary")

Dated as of April 1, 2004

TABLE OF CONTENTS

SECTION	HEADING	PAGE
SECTION 1.	FUTURE ADVANCES; LETTERS OF CREDIT.....	4
Section 1.1.	Future Advances.....	4
Section 1.2.	Letter of Credit.....	5
SECTION 2.	REPRESENTATIONS, WARRANTIES AND COVENANTS.....	5
Section 2.1.	Payment and Performance	5
Section 2.2.	Seisin and Warrant.....	5
Section 2.3.	Insurance	6
Section 2.4.	Taxes and Other Charges.....	7
Section 2.5.	Escrows.....	7
Section 2.6.	Transfer of Title; Zoning	8
Section 2.7.	No Encumbrances.....	8
Section 2.8.	Removal of Fixtures	8
Section 2.9.	Maintenance and Repair; Alterations	8
Section 2.10.	Compliance with Applicable Laws	9
Section 2.11.	Damage, Destruction and Condemnation	9
Section 2.12.	Required Notice.....	11
Section 2.13.	Books and Records; Inspection.....	11
Section 2.14.	Right to Reappraise	11
SECTION 3.	SECURITY AGREEMENT; FIXTURE FILING	12
SECTION 4.	ASSIGNMENT OF LEASES.....	13
Section 4.1.	Assignment.....	13
Section 4.2.	Representations and Warranties.....	13
Section 4.3.	Covenants.....	13
Section 4.4.	No Obligations of Beneficiary	14
Section 4.5.	Certain Remedies Relating to Assignment of Leases.....	14
Section 4.6.	Estoppel Certificates.....	15
Section 4.7.	Beneficiary as Creditor of Tenants.....	16
Section 4.8.	Term.....	16
Section 4.9.	Other Rights of Beneficiary	16
Section 4.10.	No Waiver.....	16
SECTION 5.	DECLARATION OF NO OFFSET	16
SECTION 6.	ENVIRONMENTAL MATTERS.....	17
Section 6.1.	Definitions.....	17
Section 6.2.	Representations, Warranties and Covenants.....	17

SECTION	HEADING	PAGE
Section 6.3.	Right to Inspect and Cure	18
SECTION 7.	EVENTS OF DEFAULT	19
SECTION 8.	REMEDIES	20
Section 8.1.	Acceleration	20
Section 8.2.	Possession	20
Section 8.3.	Foreclosure.....	21
Section 8.4.	Appointment of Receiver.....	21
Section 8.5.	Rights as a Secured Party.....	22
Section 8.6.	Excess Monies.....	22
Section 8.7.	Other Remedies	22
SECTION 9.	RECOURSE.....	22
Section 9.1.	Full Recourse.....	22
Section 9.2.	Partial Recourse.....	22
Section 9.3.	Limitations	24
SECTION 10.	MISCELLANEOUS	25
Section 10.1.	Notices	25
Section 10.2.	Remedies Cumulative.....	25
Section 10.3.	No Implied Waiver	26
Section 10.4.	Partial Invalidity	26
Section 10.5.	Binding Effect	26
Section 10.6.	Modifications	26
Section 10.7.	Commercial Loan	26
Section 10.8.	Governing Law.....	26
Section 10.9.	Joint and Several Liability	26
Section 10.10.	Non-Merger.....	26
Section 10.11.	Waiver of Jury Trial and Limitation of Remedies	27
Section 10.12.	Successor Trustee	27

EXHIBIT A — DESCRIPTION OF REAL ESTATE

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

THIS DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING dated as of April 1, 2004 (together with any amendments or modifications hereto in effect from time to time, the "*Deed of Trust*"), from BP-UT 2, LLC, a Delaware limited liability company, having an office at c/o Bridge Partners, Inc., 5295 South Commerce Drive, Suite 175, Murray, Utah 84107-4786 ("*Trustor*"), INTEGRATED TITLE INSURANCE SERVICES, LLC, as trustee having an office at 6925 Union Park Center, #160, Midvale, Utah 84047 ("*Trustee*"), and CITIBANK USA, NATIONAL ASSOCIATION, a national banking association, having an office at 701 East 60th Street North, Mail Code 1126, Sioux Falls, South Dakota 57117 ("*Beneficiary*").

WITNESSETH:

RECITATIONS

(i) The Trustor is justly and truly indebted to the Utah Housing Corporation (the "*Issuer*"), in the aggregate principal sum of \$9,400,000 (the "*Issuer Loan*"), as provided in that certain Loan Agreement dated as of April 1, 2004 (as the same may be amended, modified or supplemented from time to time hereafter, the "*Loan Agreement*") by and between the Trustor, the Issuer and U.S. Bank National Association, as trustee (the "*Indenture Trustee*"), to provide a loan to the Trustor to acquire and rehabilitate a 252-unit affordable housing apartment project (the "*Project*") on the Real Estate (as hereinafter defined).

(ii) Pursuant to the Trust Indenture dated as of April 1, 2004 (the "*Indenture*") between the Issuer and the Indenture Trustee, the Issuer has issued its Multifamily Housing Revenue Bonds, Series 2004 A (Tanglewood Apartments Project), in the aggregate principal amount of \$9,000,000 and its Multifamily Housing Revenue Bonds, Series 2004 B (Federally Taxable) (Tanglewood Apartments Project) in the aggregate principal amount of \$400,000 (collectively, the "*Bonds*") to provide funds to the Trustor under the terms of the Loan Agreement.

(iii) The Beneficiary has agreed to cause Citibank, N.A. (the "*Credit Provider*") to provide the Indenture Trustee with an irrevocable direct-pay letter of credit in the stated amount of \$9,535,206 (the "*Letter of Credit*") to enhance the Bonds.

(iv) In connection with the issuance of the Letter of Credit, the Trustor and Beneficiary have entered into that certain Reimbursement Agreement (the "*Reimbursement Agreement*") dated this date, governing the obligations of the Trustor to reimburse the Beneficiary for the repayment by Beneficiary to the Credit Provider, of the amount of all drafts drawn on the Letter of Credit, and to govern the terms for approval by the Beneficiary of disbursements of the Issuer Loan.

(v) Trustor is the owner of fee simple title to those certain tracts of land located in Salt Lake County, Utah, as more particularly described in *Exhibit A* attached hereto and made a part hereof (the "*Real Estate*"); and

(vi) To induce Beneficiary to cause the issuance by the Credit Provider of the Letter of Credit and to secure the obligations under the Reimbursement Agreement and the other obligations described below, Trustor has agreed to execute and deliver this Deed of Trust.

GRANTING CLAUSES

NOW, THEREFORE, to secure to Beneficiary (i) the repayment of all sums due under this Deed of Trust, the Reimbursement Agreement (and all extensions, renewals, replacements and amendments thereof) and all other Letter of Credit Documents (as such term is defined in the Reimbursement Agreement, and collectively with the Reimbursement Agreement, all such documents are herein called the "*Loan Documents*"); (ii) the performance of all terms, conditions and covenants set forth in the Loan Documents; and (iii) the repayment of all sums due or that may hereafter become due under or in connection with any present or future swap agreements (as defined in U.S.C. § 101) between Trustor and the Credit Provider or the Beneficiary; and (iv) the repayment of all reimbursement obligations due or that may become due under or in connection with any other letters of credit issued or to be issued by Beneficiary or the Credit Provider for the account of Trustor in connection with the Property (defined below) (subsections (i), (ii), (iii) and (iv) are collectively referred to herein as the "*Liabilities*"), Trustor by these presents does hereby grant, warrant, mortgage, assign, pledge, sell, demise, bargain, convey, transfer, set over and hypothecate unto Trustee, its successors and assigns, forever, with power of sale, to the extent permitted by law, and grants to Beneficiary, its successors and assigns, forever, a security interest in and to all and singular the following described properties, rights, interest and privileges and all of the Trustor's estate, right, title and interest now or hereafter acquired therein, thereto and thereunder (all of which properties, rights, interests and privileges hereby mortgaged, assigned, pledged and hypothecated or intended so to be are hereinafter collectively referred to as the "*Property*");

(A) The Real Estate;

(B) Any and all buildings and improvements now or hereafter erected on, under or over the Real Estate (the "*Improvements*");

(C) Any and all fixtures, machinery, equipment and other articles of real, personal or mixed property, belonging to Trustor, at any time now or hereafter installed in, attached to or situated in or upon the Real Estate, or the buildings and improvements now or hereafter erected thereon, or used or intended to be used in connection with the Real Estate, or in the operation of the buildings and improvements, plant, business or dwelling situate thereon, whether or not such real, personal or mixed property is or shall be affixed thereto, and all replacements, substitutions and proceeds of the foregoing (all of the foregoing herein called the "*Service Equipment*"), including without limitation: (i) all washers, dryers, dishwashers, refrigerators, ovens, stoves, microwaves, trash compactors and all other appliances; all furniture and furnishings; all articles of interior

decoration, floor, wall and window coverings; all office, restaurant, bar, kitchen and laundry fixtures, utensils, appliances and equipment; all supplies, tools and accessories; all storm and screen windows, shutters, doors, decorations, awnings, shades, blinds, signs, trees, shrubbery and other plantings; (ii) all building service fixtures, machinery and equipment of any kind whatsoever; all lighting, heating, ventilating, air conditioning, refrigerating, sprinkling, plumbing, security, irrigating, cleaning, incinerating, waste disposal, communications, alarm, fire prevention and extinguishing systems, fixtures, apparatus, machinery and equipment; all elevators, escalators, lifts, cranes, hoists and platforms; all pipes, conduits, pumps, boilers, tanks, motors, engines, furnaces and compressors; all dynamos, transformers and generators; (iii) all building materials, building machinery and building equipment delivered on site to the Real Estate during the course of, or in connection, with any construction or repair or renovation of the buildings and improvements; (iv) all parts, fittings, accessories, accessions, substitutions and replacements therefor and thereof; and (v) all files, books, ledgers, reports and records relating to any of the foregoing;

(D) Any and all leases, subleases, tenancies, licenses, occupancy agreements or agreements to lease all or any portion of the Real Estate, Improvements, Service Equipment or all or any other portion of the Property and all extensions, renewals, amendments, modifications and replacements thereof, and any options, rights of first refusal or guarantees relating thereto (collectively, the "*Leases*"); all rents, income, receipts, revenues, security deposits, escrow accounts, reserves, issues, profits, awards and payments of any kind payable under the Leases or otherwise arising from the Real Estate, Improvements, Service Equipment or all or any other portion of the Property including, without limitation, minimum rents, additional rents, percentage rents, parking, maintenance and deficiency rents (collectively, the "*Rents*"); all of the following personal property (collectively referred to as the "*Contracts*"): all accounts, general intangibles and contract rights (including any right to payment thereunder, whether or not earned by performance) of any nature relating to the Real Estate, Improvements, Service Equipment or all or any other portion of the Property or the use, occupancy, maintenance, construction, repair or operation thereof; all management agreements, franchise agreements, utility agreements and deposits, building service contracts, maintenance contracts, construction contracts and architect's agreements; all maps, plans, surveys and specifications; all warranties and guaranties; all permits, licenses and approvals; all trade names, service marks, trademarks and goodwill arising from or related to the Property or any business now or hereafter conducted thereon by the Trustor; and all insurance policies, books of account and other documents, of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale or operation of the Real Estate, Improvements, Service Equipment or all or any other portion of the Property;

(E) Any and all estates, rights, tenements, hereditaments, privileges, easements, reversions, remainders and appurtenances of any kind benefiting or appurtenant to the Real Estate, Improvements or all or any other portion of the Property; all means of access to and from the Real Estate, Improvements or all or any other portion of the Property, whether public or private; all streets, alleys, passages, ways, water courses, water and mineral rights relating to the Real Estate, Improvements or all or any

other portion of the Property; all rights of Trustor as declarant or unit owner under any declaration of condominium or association applicable to the Real Estate, Improvements or all or any other portion of the Property including, without limitation, all development rights and special declarant rights; and all other claims or demands of Trustor, either at law or in equity, in possession or expectancy of, in, or to the Real Estate, Improvements or all or any other portion of the Property (all of the foregoing described in this subsection E herein called the "Appurtenances"); and

(F) Any and all "proceeds" of any of the above-described Real Estate, Improvements, Service Equipment, Leases, Rents, Contracts and Appurtenances, which term "proceeds" shall have the meaning given to it in the Uniform Commercial Code, as amended, (the "Code") of the State of Utah (collectively, the "Proceeds") and shall additionally include whatever is received upon the use, lease, sale, exchange, transfer, collection or other utilization or any disposition or conversion of any of the Real Estate, Improvements, Service Equipment, Leases, Rents, Contracts and Appurtenances, voluntary or involuntary, whether cash or non-cash, including proceeds of insurance and condemnation awards, rental or lease payments, accounts, chattel paper, instruments, documents, contract rights, general intangibles, equipment and inventory.

TO HAVE AND TO HOLD the above granted and conveyed Property unto Trustee, for the benefit of Beneficiary and its successors and assigns and to the proper use and benefit of Beneficiary, its successors and assigns, forever.

PROVIDED ALWAYS, and these presents are upon the express condition, that if (i) all the Liabilities, including, without limitation, all termination payments and any other amounts due under or in connection with any swap agreements secured hereunder, are paid in full, (ii) each and every representation, warranty, agreement and covenant of this Deed of Trust and the other Loan Documents are complied with and abided by, (iii) the Letter of Credit and any other letters of credit issued by the Credit Provider or the Beneficiary and secured hereby have been surrendered or have expired without an unreimbursed drawing thereunder, and (iv) any swap agreements secured hereunder have matured or been terminated, then this Deed of Trust and the estate hereby created shall cease and be null and void and canceled of record.

The terms of the Loan Documents are hereby made a part of this Deed of Trust to the same extent and with the same effect as if fully set forth herein. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Loan Documents.

AND Trustor covenants and agrees with and represents to Trustee and Beneficiary as follows:

SECTION 1. FUTURE ADVANCES; LETTERS OF CREDIT.

Section 1.1. Future Advances. This Deed of Trust shall secure any additional loans as well as any and all present or future advances and readvances under the Liabilities made by the Beneficiary or the Credit Provider to or for the benefit of Trustor or the Property within 31 years from the date hereof (whether such advances are obligatory or are made at the option of the

Beneficiary or the Credit Provider or otherwise), including, without limitation: (i) principal, interest, late charges, fees and other amounts due under the Liabilities or this Deed of Trust; (ii) all advances by Beneficiary or the Credit Provider to Trustor or any other person to pay costs of erection, construction, alteration, repair, restoration, maintenance and completion of any improvements on the Property; (iii) all advances made or costs incurred by Beneficiary or the Credit Provider for the payment of real estate taxes, assessments or other governmental charges, maintenance charges, insurance premiums, appraisal charges, environmental inspection, audit, testing or compliance costs, and costs incurred by Beneficiary, Credit Provider and Trustee for the enforcement and protection of the Property or the lien of this Deed of Trust; and (iv) all legal fees, costs and other expenses incurred by Beneficiary, Credit Provider and Trustee by reason of any default or otherwise in connection with the Liabilities. The total amount of the Liabilities that may be so secured may decrease to a zero amount from time to time, or may increase from time to time, but the total unpaid balance secured at any one time shall not exceed \$50,000,000.

Section 1.2. Letter of Credit. Beneficiary has caused the Credit Provider to issue the Letter of Credit in favor of Indenture Trustee, as beneficiary. All disbursements by the Credit Provider to pay a draft or drafts drawn under the Letter of Credit, or any substitute or replacement thereof, shall be Liabilities secured hereby. Trustor covenants and agrees that Liabilities arising under the Reimbursement Agreement by reason of the payment of a draft drawn on the Letter of Credit shall be deemed a future advance made pursuant to Section 1.1 above, and shall be secured by this Deed of Trust whether or not Trustor executes or has executed an additional note or other evidence of liability for such additional Liabilities.

SECTION 2. REPRESENTATIONS, WARRANTIES AND COVENANTS.

Section 2.1. Payment and Performance. Trustor shall (a) pay to Beneficiary all sums required to be paid by Trustor under the Loan Documents, in accordance with their stated terms and conditions; (b) perform and comply with all terms, conditions and covenants set forth in each of the Loan Documents by which Trustor is bound; and (c) perform and comply with all of Trustor's obligations and duties as landlord under any Leases.

Section 2.2. Seisin and Warrant. Trustor hereby warrants that (a) Trustor is seized of an indefeasible estate in fee simple in, and warrants the title to, the Property; (b) Trustor has the right, full power and lawful authority to deed of trust, grant, convey and assign the same to Trustee and Beneficiary in the manner and form set forth herein; and (c) this Deed of Trust is a valid and enforceable lien on the Property subject only to Schedule B-Section 2 of that certain Pro Forma Policy for title insurance prepared by First American Title Insurance Company, No. 08543 (the "*Existing Encumbrances*"). Trustor hereby covenants that Trustor shall (a) preserve such title and the validity and priority of the lien of this Deed of Trust, the Existing Encumbrances and subsequent land use restriction agreements or extended use agreements required by the Issuer, and customary easements for utilities and access reasonably necessary for the construction and operation of the Improvements (collectively, the "*Permitted Encumbrances*"), and shall forever warrant and defend the same against all lawful claims whatsoever; and (b) execute, acknowledge and deliver all such further documents or assurances as may at any time hereafter be required by Beneficiary to protect fully the lien of this Deed of Trust; *provided, however*, that no such documents or assurances required in this subsection shall

change the economic terms of the obligations secured hereby or expand the liability of the parties hereto.

Section 2.3. Insurance. (a) Trustor shall obtain and maintain at all times throughout the term of this Deed of Trust the following insurance: (i) comprehensive general public liability insurance covering all operations of Trustor; (ii) "All-Risk" fire and extended coverage hazard insurance, including windstorm insurance, covering the Property in an aggregate amount not less than 100% of the agreed upon full insurable replacement value of the Property, including coverage for loss of rents or business interruption; (iii) during the course of any construction, reconstruction, remodeling or repair of any Improvements, builders' all-risk extended coverage insurance ("All Risk" completed value reporting form, with special cause of loss form) or equivalent coverage in amounts based upon the completed replacement value of the Improvements (excluding roads, foundations, parking areas, paths, walkways and like improvements) and endorsed to provide that occupancy by any person shall not void such coverage; (iv) if the Property is required to be insured pursuant to the National Flood Insurance Reform Act of 1994, and the regulations promulgated thereunder, flood insurance in an amount at least equal to the lesser of the agreed upon full insurable replacement value of the Property (less any value attributable to the Real Estate) or the maximum limit of coverage available; (v) insurance which complies with the workers' compensation and employers' liability laws of all states in which Trustor shall be required to maintain such insurance; and (vi) such other insurance as Beneficiary may reasonably require, including rent loss or business interruption insurance equal to twelve (12) months gross rental income, which insurance shall also provide coverage for loss due to windstorm.

(b) Each insurance policy required under this Section shall: (i) be written by an insurance company authorized or licensed to do business in the state within which the Property is located having an Alfred M. Best Company, Inc. rating of "A-" or higher; (ii) be for terms of a least one year, with premium prepaid; (iii) meet Beneficiary's standards for coverage and deductibles and be otherwise subject to the reasonable approval of Beneficiary as to insurance companies, amounts, content, forms of policies and expiration dates; (iv) name Beneficiary, its successors and assigns: (1) as an additional insured under all liability insurance policies, and (2) as the mortgagee, under a standard non-contributory mortgagee clause, on all property insurance policies and all loss of rents or loss of business income insurance policies; (v) provide that any and all loss payments be payable to Beneficiary alone and not jointly with Trustor (unless Beneficiary has a perfected first lien interest in such proceeds); and (vi) the policies or policies of such insurance shall be written without co-insurance.

(c) Trustor further agrees that each insurance policy: (i) shall provide at least thirty (30) days' prior written notice to Beneficiary prior to any policy reduction or cancellation for any reason and shall provide notice to the Beneficiary of any failure to renew the policy prior to the expiration of such policy; (ii) shall contain an endorsement or agreement by the insurer that any loss shall be payable to Beneficiary in accordance with the terms of such policy notwithstanding any act or negligence of Trustor which might otherwise result in forfeiture of such insurance; (iii) shall waive all rights of setoff, counterclaim, deduction or subrogation against Trustor; and (iv) shall exclude Beneficiary from the operation of any coinsurance clause.

(d) At least thirty (30) days prior to the expiration of any insurance policy, Trustor shall furnish evidence satisfactory to Beneficiary that such policy has been renewed or replaced or is no longer required.

(e) Notwithstanding the foregoing, in the event that Trustor fails to maintain insurance in accordance with this Section 2.3, and Beneficiary elects to obtain insurance to protect its interests hereunder, Beneficiary may obtain insurance in any amount and of any type Beneficiary deems appropriate to protect Beneficiary's interest only and Beneficiary shall have no duty or obligation to Trustor to maintain insurance in any greater amount or of any other type for the benefit of Trustor. All insurance premiums incurred or paid by Beneficiary shall be at Trustor's sole cost and expense. Beneficiary's election to obtain insurance shall not be deemed to waive any Event of Default (as hereinafter defined) hereunder.

Section 2.4. Taxes and Other Charges. Trustor shall promptly pay and discharge all taxes, assessments, water and sewer rents, and other governmental charges imposed upon the Property when due but in no event after interest or penalties commence to accrue thereon or become a lien upon the Property. Notwithstanding the foregoing, Trustor shall have the right to contest, at its own expense, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity of such taxes, assessments, water and sewer rents, or other governmental charges, *provided that:* (a) Trustor has established on its books or by deposit of cash with Beneficiary, at the option of Beneficiary, a reserve for the payment thereof in such amount as Beneficiary may require; and (b) such contest operates to prevent collection, stay any proceedings which may be instituted to enforce payment of such item, and prevent a sale of the Property to pay such item. Trustor shall promptly provide to Beneficiary, upon request, copies of receipted tax bills, canceled checks or other evidence satisfactory to Beneficiary evidencing that such taxes, assessments, water and sewer rents, and other governmental charges have been timely paid. Trustor shall not claim or demand or be entitled to any credit on account of the Liabilities for any part of the taxes paid with respect to the Property or any part thereof and no deduction shall otherwise be made or claimed from the taxable value of the Property, or any part thereof, by reason of this Deed of Trust.

Section 2.5. Escrows. Trustor shall pay to Beneficiary at the time of each installment of principal and interest due under the Issuer Loan, and commencing with the first installment payment of principal and interest due after the date of such request, a sum equal to (a) the amount of the next installment of taxes and assessments levied or assessed against the Property, and/or (b) the premiums which will next become due on the insurance policies required by this Deed of Trust, all in amounts as estimated by Beneficiary, less all sums already paid therefor or deposited with Beneficiary, divided by the number of payments to become due before one (1) month prior to the date when such taxes and assessments and/or premiums, as applicable, will become due, such sums to be held by Beneficiary to pay the same when due. If such escrow funds are not sufficient to pay such taxes and assessments and/or insurance premiums, as applicable, as the same become due, Trustor shall pay to Beneficiary, upon request, such additional amounts as Beneficiary shall estimate to be sufficient to make up any deficiency. No amount paid to Beneficiary hereunder shall be deemed to be trust funds but may be commingled with general funds of Beneficiary and no interest shall be payable thereon. Upon the occurrence

of an Event of Default, Beneficiary shall have the right, at its sole discretion, to apply any amounts so held against the Liabilities.

Section 2.6. Transfer of Title; Zoning. Without the prior written consent of Beneficiary in each instance, Trustor shall not cause or permit any transfer of the Property or any part thereof, whether voluntarily, involuntarily or by operation of law nor shall Trustor enter into any agreement or transaction to transfer, or accomplish in form or substance a transfer, of the Property. A "transfer" of the Property includes: (a) the direct or indirect sale, transfer or conveyance of the Property or any portion thereof or interest therein, except as expressly permitted herein; (b) the execution of an installment sale contract or similar instrument affecting all or any portion of the Property; (c) the transfer of any other ownership interest in the Trustor; and (d) an agreement by Trustor leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of or the grant of a security interest in and to any Leases. Trustor shall not institute or acquiesce in any zoning reclassification of the Real Estate without Beneficiary's consent.

Section 2.7. No Encumbrances. Except for the Permitted Encumbrances, Trustor shall not create or permit to exist any mortgage, pledge, lien, security interest (including, without limitation, a purchase money security interest), encumbrance, attachment, levy, distraint or other judicial process on or against the Property or any part thereof (including, without limitation, fixtures and other personalty), whether superior or inferior to the lien of this Deed of Trust, without the prior written consent of Beneficiary.

Section 2.8. Removal of Fixtures. Trustor shall not remove or permit to be removed from the Property any fixtures presently or in the future owned by Trustor as the term "fixtures" is defined by the law of the state where the Property is located (unless such fixtures have been replaced with similar fixtures of equal or greater utility and value).

Section 2.9. Maintenance and Repair; Alterations. (a) Trustor shall (i) abstain from and not permit the commission of waste in or about the Property; (ii) keep the Property, at Trustor's own cost and expense, in good and substantial repair, working order and condition; (iii) make or cause to be made, as and when necessary, all repairs and replacements, whether or not insurance proceeds are available therefor; and (iv) not remove, demolish, materially alter, discontinue the use of, permit to become vacant or deserted, or otherwise dispose of all or any part of the Property. All alterations, replacements, renewals or additions made pursuant hereto shall automatically become a part of the Property and shall be covered by the lien of this Deed of Trust.

(b) Beneficiary, and any persons authorized by Beneficiary, shall have the right, but not the obligation, to enter upon the Property at any reasonable time, with prior notice to the Trustor, to inspect and photograph its condition and state of repair. In the event any such inspection reveals, in the sole discretion of Beneficiary, the necessity for any repair, alteration, replacement, clean-up or maintenance, Trustor shall, at the discretion of Beneficiary, either: (i) cause such work to be effected immediately; or (ii) promptly establish an interest bearing reserve fund with Beneficiary in an amount determined by Beneficiary for the purpose of effecting such work.

(c) Trustor shall suffer or permit no change in the general nature of the use and occupancy of the Real Estate from that contemplated in the Reimbursement Agreement without Beneficiary's written consent.

Section 2.10. Compliance with Applicable Laws. Trustor agrees to observe, conform and comply, and to cause its tenants to observe, conform and comply with all federal, state, county, municipal and other governmental or quasi-governmental laws, rules, regulations, ordinances, codes, requirements, covenants, conditions, orders, licenses, permits, approvals and restrictions, including without limitation, Environmental Laws (as defined below), the Federal Architectural Barriers Act of 1988 (42 U.S.C. § 4151, *et seq.*), The Fair Housing Amendment Act of 1988 (42 U.S.C. § 3601, *et seq.*), The Rehabilitation Act of 1973 (29 U.S.C. § 794 *et seq.*) and the Americans with Disabilities Act of 1990 (42 U.S.C. § 1201, *et seq.*) (collectively, the "Legal Requirements"), now or hereafter affecting all or any part of the Property, its occupancy or the business or operations now or hereafter conducted thereon and the personalty contained therein, within such time as required by such Legal Requirements. Trustor represents and warrants that it has caused the Property to be designed, and the Property currently is, in compliance with all Legal Requirements applicable to the Property.

Section 2.11. Damage, Destruction and Condemnation. (a) If all or any part of the Property shall be damaged or destroyed, or if title to or the temporary use of the whole or any part of the Property shall be taken or condemned by a competent authority for any public or quasi-public use or purpose, there shall be no abatement or reduction in the amounts payable by Trustor under the Loan Documents and Trustor shall continue to be obligated to make such payments.

(b) If all or any part of the Property is partially or totally damaged or destroyed, Trustor shall give prompt notice thereof to Beneficiary, and Beneficiary may make proof of loss if not made promptly by Trustor. Trustor hereby authorizes and directs any affected insurance company to make payment under such insurance, including return of unearned premiums, to Beneficiary instead of to Trustor and Beneficiary jointly, and Trustor appoints Beneficiary as Trustor's attorney-in-fact to endorse any draft thereof, which appointment, being for security, is coupled with an interest and irrevocable. Beneficiary is hereby authorized and empowered by Trustor to settle, adjust or compromise, in consultation with Trustor, any claims for loss, damage or destruction to the Property. Trustor shall pay all costs of collection of insurance proceeds payable on account of such damage or destruction. Trustor shall have no claim against the insurance proceeds, or be entitled to any portion thereof, and all rights to the insurance proceeds are hereby assigned to Beneficiary as security for payment of the Liabilities. Subject to the provisions of subsection 2.11(d) below, Beneficiary shall have the option, in its sole discretion, of paying or applying all or any part of the proceeds of insurance or a condemnation award to: (i) reduction of the Liabilities; (ii) restoration, replacement or repair of the Property in accordance with the Loan Agreement and Beneficiary's standard construction loan disbursement conditions and requirements; or (iii) Trustor.

(c) Immediately upon obtaining knowledge of the institution of any proceeding for the condemnation of all or any part of the Property, Trustor shall give notice to Beneficiary. Trustor shall, at its sole cost and expense, diligently prosecute any such proceeding and shall consult

with Beneficiary, its attorneys and experts, and shall cooperate with it in the defense of any such proceeding. Beneficiary may participate in any such proceeding and Trustor shall from time to time deliver to Beneficiary all instruments requested by it to permit such participation. Trustor shall not, without Beneficiary's prior written consent, enter into any agreement (i) for the taking or conveyance in lieu thereof of all or any part of the Property, or (ii) to compromise, settle or adjust any such proceeding. All awards and proceeds of condemnation are hereby assigned to Beneficiary, and Trustor, upon request by Beneficiary, agrees to make, execute and deliver any additional assignments or documents necessary from time to time to enable Beneficiary to collect the same. Subject to the provisions of subsection 2.11(d) below, such awards and proceeds shall be paid or applied by Beneficiary, in its sole discretion, to: (i) reduction of the Liabilities; (ii) restoration, replacement or repair of the Property in accordance with the Loan Agreement and Beneficiary's standard construction loan disbursement conditions and requirements; or (iii) Trustor.

(d) Notwithstanding the provisions of subsections 2.11(b) and (c) above, so long as no Event of Default has occurred and is continuing under this Deed of Trust, Trustor shall be entitled (but shall not be required) to have proceeds of insurance or condemnation (the "*Proceeds*") used for completion, repair and restoration of the Improvements damaged or destroyed by such casualty or taking, subject to the following terms and conditions:

(i) Trustor must make such election in writing to Beneficiary within sixty (60) days following the date of such casualty or taking;

(ii) If the Proceeds exceed \$100,000.00, such Proceeds shall be deposited to an interest bearing account with Beneficiary, to be held as substitute collateral for the liabilities, and to be disbursed for the costs of completion, repair and restoration in the same manner and subject to the same terms and conditions as the disbursement of the proceeds of the Loan as set forth in the Loan Agreement;

(iii) Trustor shall furnish evidence reasonably satisfactory to Beneficiary that the Improvements can be completed or restored to their condition immediately prior to the casualty for a cost not in excess of the Proceeds plus identifiable funds of the Trustor available for such purpose;

(iv) Trustor shall submit to the Beneficiary for approval the plans and specifications for such Improvements (if different from the original) and the construction contract, together with such additional information as Beneficiary may reasonably request to verify that Beneficiary's security will not be materially impaired by reason of such use of the Proceeds; and

(v) The balance of the Proceeds, if any, shall be applied to the indebtedness secured hereby, in reverse order of maturity.

(e) In the event that any of the Liabilities are not then payable or remain contingent at the time any such proceeds are received by Beneficiary and would otherwise be applied to the indebtedness secured hereby, then and in such event, such proceeds may be held by Beneficiary

in an interest bearing account (with interest payable to Trustor) as additional collateral for such remaining unmatured or contingent Liabilities so long as said Liabilities remain outstanding.

(f) Nothing herein shall relieve Trustor of its duty to repair, restore, rebuild or replace the Property following damage or destruction or partial condemnation if no or inadequate insurance proceeds or condemnation awards are available to defray the cost of repair, restoration, rebuilding or replacement.

Section 2.12. Required Notice. Trustor shall notify Beneficiary within three (3) days of: (a) receipt of any notice from any governmental or quasi-governmental authority relating to the structure, use or occupancy of the Property or alleging a violation of any Legal Requirement; (b) a substantial change in the occupancy or use of all or any part of the Property; (c) receipt of any notice from the holder of any lien or security interest in all or any part of the Property; (d) commencement of any litigation affecting or potentially affecting the financial ability of Trustor or the value of the Property; (e) a pending or threatened condemnation of all or any part of the Property; (f) a fire or other casualty causing damage to all or any part of the Property; (g) receipt of any notice with regard to any Release of Hazardous Substances (as such terms are defined in Section 6.2 below) or any other environmental matter affecting the Property or Trustor's interest therein; (h) receipt of any request for information, demand letter or notification of potential liability from any entity relating to potential responsibility for investigation or clean-up of Hazardous Substances on the Property or at any other site owned or operated by Trustor; (i) receipt from any tenant of all or any part of the Property alleging a default, failure to perform or any right to terminate its lease or set-off rents; or (j) receipt of any notice of the imposition of, or of threatened or actual execution on, any lien on or security interest in all or any part of the Property.

Section 2.13. Books and Records; Inspection. Trustor shall keep and maintain (a) complete and accurate books and records, in accordance with generally accepted accounting principles consistently applied, reflecting all items of income and expense in connection with the operation of the Property, and (b) copies of all written contracts, leases and other agreements affecting the Property. Beneficiary or its designated representatives shall, upon reasonable prior notice to Trustor, have (a) the right of entry and free access to the Property during business hours (which may be without notice in any case of emergency) to inspect the Property, and (b) the right to examine and audit all books, contracts and records of Trustor relating to the Property.

Section 2.14. Right to Reappraise. Beneficiary shall have the right to conduct or have conducted by an independent appraiser acceptable to Beneficiary appraisals of the Property in form and substance satisfactory to Beneficiary at the sole cost and expense of Trustor; *provided, however,* that Trustor shall not be obligated to bear the expense of such appraisals so long as (a) no Event of Default exists, and (b) such appraisals are not required by applicable law, rule or regulation of any governmental authority having jurisdiction over Beneficiary. The cost of such appraisals, if chargeable to Trustor as aforesaid, shall be added to the Liabilities and shall be secured by this Deed of Trust.

SECTION 3. SECURITY AGREEMENT; FIXTURE FILING.

This Deed of Trust constitutes a security agreement under the Code and shall be deemed to constitute a fixture financing statement. Trustor hereby grants to Beneficiary a security interest in the personal and other property (other than real property) included in the Property, and all replacements of, substitutions for, and additions to, such property, and the proceeds thereof. Trustor shall, at Trustor's own expense, execute, deliver, file and refile any financing or continuation statements or other security agreements Beneficiary may require from time to time to perfect, confirm or maintain the lien of this Deed of Trust with respect to such property. A photocopy of an executed financing statement shall be effective as an original. Without limiting the foregoing, Trustor hereby irrevocably appoints Beneficiary attorney-in-fact for Trustor to execute, deliver and file such instruments for or on behalf of Trustor at Trustor's expense, which appointment, being for security, is coupled with an interest and shall be irrevocable. With respect to goods that become fixtures after the recording of this Deed of Trust and before the completion of construction of the Improvements, this Deed of Trust is, and shall be construed to be, a "Construction Mortgage" under the Code, and any Deed of Trust given to refinance this Deed of Trust shall be, and shall be construed to be, a Deed of Trust given to refinance a construction mortgage. For purposes of perfecting the security interest in personal property which is intended to become fixtures, Trustor hereby certifies as follows:

- (i) Trustor's state of organization is Delaware;
- (ii) Trustor's address is as set forth on the first page of this Deed of Trust;
- (iii) The property covered by this Security Agreement and financing statement is described in the Granting Clauses hereof;
- (iv) Some or all of the fixtures, equipment and other property described herein are or may become fixtures;
- (v) The Trustor as debtor is the record owner of the real estate described in *Exhibit A* attached hereto and made a part hereof; and
- (vi) Trustor's organizational number is 3605333.

Trustor authorizes Beneficiary to file a financing statement with the appropriate filing offices in the state in which Trustor is a registered organization, without Trustor's signature, further to perfect the security interests granted herein. If there shall exist an event of default under this Deed of Trust, Beneficiary (or the Trustee to the extent appropriate) pursuant to the appropriate provisions of the Code, shall have the option of proceeding as to both real and personal property in accordance with its rights and remedies in respect of the real property, in which event the default provisions of the Code shall not apply. The parties agree that, in the event Beneficiary shall elect to proceed with respect to any personal property (the "*Personalty*") separately from the Real Estate, unless a greater period shall then be mandated by the Code, ten (10) days notice of the sale of the *Personalty* shall be reasonable notice. The expenses of retaking, holding, preparing for sale, selling and the like incurred by Beneficiary shall be assessed against Trustor

and shall include, but not be limited to, the legal expenses incurred by Beneficiary. Trustor agrees that it will not remove or permit to be removed from the Real Estate any of the Personalty without the prior written consent of Beneficiary except as hereinabove provided. All replacements, renewals and additions to the Personalty shall be and become immediately subject to the security interest of this Deed of Trust and this agreement and be covered thereby. Trustor warrants and represents that all Personalty now is and that all replacements thereof, substitutions therefor or additions thereto, unless Beneficiary otherwise consents, will be free and clear of liens, encumbrances or security interests of others.

SECTION 4. ASSIGNMENT OF LEASES.

Section 4.1. Assignment. Trustor hereby absolutely, presently and unconditionally conveys, transfers and assigns to Beneficiary all of Trustor's right, title and interest, now existing or hereafter arising, in and to the Leases and Rents. Notwithstanding that this assignment is effective immediately, so long as no Event of Default exists, Trustor shall have the privilege under a revocable license granted hereby to operate and manage the Property and to collect, as they become due, but not prior to accrual, the Rents. Trustor shall receive and hold such Rents in trust as a fund to be applied, and Trustor hereby covenants and agrees that such Rents shall be so applied, first to the operation, maintenance and repair of the Property and the payment of interest, principal and other sums becoming due under the Liabilities, before retaining and/or disbursing any part of the Rents for any other purpose. The license herein granted to Trustor shall automatically, without notice or any other action by Beneficiary, terminate upon the occurrence of an Event of Default, and all Rents subsequently collected or received by Trustor shall be held in trust by Trustor for the sole and exclusive benefit of Beneficiary. Nothing contained in this Section 4.1, and no collection by Beneficiary of Rents, shall be construed as imposing on Beneficiary any of the obligations of the lessor under the Leases.

Section 4.2. Representations and Warranties. Trustor represents and warrants to Beneficiary as follows: (i) Trustor has title to and full right to assign presently, absolutely and unconditionally the Leases and the Rents thereunder; (ii) no other assignment of any interest in any of the Leases or Rents has been made; (iii) there are no leases or agreements to lease all or any portion of the Property now in effect except the Leases, true and complete copy of the standard form of which has been furnished to Beneficiary; (iv) there is no existing default by Trustor or by any tenant under any of the Leases, nor has any event occurred which due to the passage of time, the giving or failure to give notice, or both, would constitute a default under any of the Leases and, to the best of Trustor's knowledge, no tenant has any defenses, set-offs or counterclaims against Trustor; (v) Trustor has not done anything which might prevent Beneficiary from or limit Beneficiary in operating under or exercising the rights granted to Beneficiary by this Assignment; (vi) Trustor has not accepted Rent under any Lease more than thirty (30) days in advance of its accrual, and payment thereof has not otherwise been forgiven, discounted or compromised; and (vii) Trustor has not received any funds or deposits from any tenant except as expressly provided for in a Lease.

Section 4.3. Covenants. (a) Trustor covenants and agrees that Trustor will perform all of its obligations, as landlord, under the Leases and will enforce the performance by tenants of all of their respective obligations under the Leases, and will not do or permit to be done anything to

impair the enforceability thereof. Trustor covenants and agrees that Trustor will not, without the prior written consent of Beneficiary in each instance: (i) accept or collect the Rent under any Lease more than one month in advance of the due date thereof; (ii) discount, forgive, encumber or assign the Rents or any part thereof or any Lease or any interest therein; (iii) modify the standard form of lease; or (iv) subordinate any Lease to any mortgage or other encumbrance. Any of the foregoing acts, if done without the prior written consent of Beneficiary in each instance, shall be null and void.

(b) Trustor covenants and agrees to furnish to Beneficiary, on request: (i) a complete list, as of the date of such request, of all existing Leases and the Rents payable thereunder, and providing such further detail as Beneficiary may request; and (ii) specific, separate assignments of any future Leases duly executed and acknowledged by Beneficiary.

Section 4.4. No Obligations of Beneficiary. (a) Notwithstanding any legal presumption to the contrary, Beneficiary shall not be obligated by reason of its acceptance of this assignment or of any Rent to perform any obligation of Trustor under any of the Leases, and Beneficiary shall not, prior to entry upon and actually taking physical possession of the Property, be deemed a beneficiary in possession.

(b) Neither this assignment nor collection by Beneficiary of Rents is not intended, nor shall it be construed, to operate to place responsibility upon Beneficiary for: (i) the control, care, operation, management or repair of the Property; (ii) the performance of any of the terms or conditions of the Leases; (iii) any waste committed on, or any dangerous or defective condition at the Property; or (iv) any negligence in the control, care, operation, management or repair of the Property, resulting in loss or injury or death to any tenant, licensee, employee or other person or loss of or damage to the property of any of the foregoing; it being the intent of the parties that the responsibility and liability for the aforesaid matters shall remain solely with Trustor. Beneficiary assumes no liability for any security deposited with Trustor by any tenant unless and until such deposits are specifically transferred and delivered to Beneficiary.

Section 4.5. Certain Remedies Relating to Assignment of Leases. (a) Upon the occurrence of an Event of Default, the license granted to Trustor to collect the Rents shall be automatically and immediately revoked without further notice to or demand upon Trustor, and Beneficiary shall have the right, without further notice to or demand upon Trustor, and in Beneficiary's absolute discretion, to exercise any one or more of the following rights and remedies:

(b) Without regard to the adequacy of any security, and with or without appointment of a receiver, Beneficiary may enter upon and take possession of the Property; have, hold, manage, lease and operate the same, and collect, in its own name or in the name of Trustor, and receive all Rents accrued but unpaid and in arrears as of the date of such Event of Default, as well as the Rents which thereafter become due and payable; and have full power to make from time to time all alterations, renovations, repairs or replacements to the Property as Beneficiary may deem proper. Beneficiary may notify the tenants under the Leases, or any property manager or rental agent under any Contract, to pay all Rents directly to Beneficiary. Trustor shall pay to Beneficiary on demand any Rents collected by Trustor after the revocation of the license granted

to Trustor. Trustor hereby irrevocably authorizes and directs the tenants under the Leases, and any property manager or rental agent under any Contract, upon receipt of written notice from Beneficiary, to pay all Rents due to Beneficiary without the necessity of any inquiry to Trustor and without any liability respecting the determination of the actual existence of any Event of Default claimed by Beneficiary or any claim by Trustor to the contrary. Trustor further agrees that it shall facilitate in all reasonable ways Beneficiary's collection of the Rents and will, upon Beneficiary's request, execute and deliver a written notice to each tenant under the Leases, or any property manager or rental agent under any Contract, directing such parties to pay the Rents to Beneficiary. Trustor shall have no right or claim against any parties to any Lease or Contract who make payment to Beneficiary after receipt of written notice from Beneficiary requesting same.

(c) Beneficiary may apply such Rents to the payment of: (i) the Liabilities, together with all costs and attorneys' fees; (ii) all taxes, charges, claims, assessments, water rents, sewer rents and any other liens which may be prior in lien or payment to the Liabilities, and premiums for insurance, with interest on all such items; and (iii) the cost of all alterations, repairs, replacements and expenses incident to taking and retaining possession of the Property and the management and operation thereof; all in such order or priority as Beneficiary in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding.

(d) Beneficiary may: (i) endorse as Trustor's attorney-in-fact the name of Trustor or any subsequent owner of the Property on any checks, drafts or other instruments received in payment of the Rents, and deposit the same in bank accounts, which power of attorney is coupled with an interest and shall be irrevocable; (ii) give proper receipts, releases and acquittances in relation thereto in the name of Trustor; (iii) institute, prosecute, settle or compromise any summary or legal proceedings in the name of Trustor for the recovery of the Rents, or for damage to the Property, or for the abatement of any nuisance thereon; and (iv) defend any legal proceedings brought against Trustor arising out of the operation of the Property. Any charges, expenses or fees, including reasonable attorneys' fees and costs, actually incurred by Beneficiary in connection with any of the foregoing shall be included in the Liabilities, and shall be due and payable on demand, together with interest at the Default Rate, such interest to be calculated from the date of such advance to the date of repayment thereof.

(e) Beneficiary may, at its election, but shall not be obligated to: (i) perform any of Trustor's obligations under the Leases (*provided, however*, that Trustor shall remain liable for such obligations notwithstanding such election by Beneficiary); (ii) exercise any of Trustor's rights, powers or privileges under the Leases; (iii) modify, cancel or renew existing Leases or make concessions to the tenants thereto; (iv) execute new Leases for all or any portion of the Property; and (v) take such other action as Trustor may have taken with respect to the Leases.

Section 4.6. Estoppel Certificates. Trustor shall, from time to time, without charge and within ten (10) days after requested by Beneficiary, execute, acknowledge and deliver to Beneficiary a rent roll, in form and substance reasonably satisfactory to Beneficiary, certifying to certain matters relating to the Leases, including without limitation: (i) the commencement and expiration dates of the Leases and the dates when any rents, charges and other sums commenced to be payable thereunder; (ii) that the Leases are unmodified and in full force and effect (or, if

modified, stating the nature of such modifications and that the Leases as so modified are in full force and effect); (iii) the amount of Rents payable under the Leases and the dates to which the Rents and other charges under the Leases have been paid in advance; and (iv) whether there are any uncured defaults by Trustor or tenants or any setoffs or defenses against enforcement of any terms or conditions under any Lease.

Section 4.7. Beneficiary as Creditor of Tenants. Notwithstanding the privilege and license granted by Beneficiary herein, Beneficiary, and not Trustor, shall be deemed to be the creditor of each tenant in respect of any assignment for the benefit of creditors, bankruptcy, reorganization, insolvency, dissolution or receivership proceedings affecting such tenant. Beneficiary shall have the option to have any money received by Beneficiary as such creditor applied to reduce the Liabilities or paid over to Trustor. Beneficiary shall have the right to file claims in any such proceedings and to otherwise pursue creditor's rights therein. If Trustor learns that any tenant has become the subject of such a proceeding, Trustor shall give Beneficiary prompt notice thereof.

Section 4.8. Term. Upon repayment in full of the Liabilities and the cancellation or discharge of this Deed of Trust, this assignment shall automatically terminate and become null and void. Trustor covenants and agrees that prior to such termination, the affidavit or certificate of any representative of Beneficiary stating that any of the Liabilities remain unpaid shall be conclusive evidence of the validity, effectiveness and continuing force of this assignment, and any person is hereby authorized to rely thereon.

Section 4.9. Other Rights of Beneficiary. Beneficiary and Trustee may, without prejudice to any of its rights under this assignment, take or release security, release any party primarily or secondarily liable for any of the Liabilities, and grant extensions, renewals, modifications or indulgences with respect to this Deed of Trust or any other Loan Document.

Section 4.10. No Waiver. The collection of Rents under the Leases, the taking of physical possession of the Property, or any other remedial action taken by Beneficiary or Trustee shall not waive any Event of Default or waive, modify or affect any notice of default under the Loan Documents, or invalidate any act done pursuant to such notice, and the enforcement of any right or remedy by Beneficiary or Trustee, once exercised, shall continue for so long as Beneficiary or Trustee shall elect, notwithstanding that the collection and application of such Rents may have cured or could have resulted in a cure of an Event of Default. If Beneficiary or Trustee thereafter elects to discontinue the exercise of any right or remedy, that or any other right or remedy under this Assignment may be reasserted at any time and from time to time following any subsequent Event of Default.

SECTION 5. DECLARATION OF NO OFFSET.

Trustor represents to Beneficiary that Trustor has no knowledge of any offsets, counterclaims or defenses to the Liabilities either at law or in equity. Trustor shall, within three (3) days upon request in person or within seven (7) days upon request by mail, furnish to Beneficiary or Beneficiary's designee a written statement in form satisfactory to Beneficiary

confirming the amount due under the Liabilities and whether there are offsets or defenses against the same, and if so, the nature and extent thereof.

SECTION 6. ENVIRONMENTAL MATTERS.

Section 6.1. Definitions. As used herein, "*Environmental Laws*" shall mean all existing or future federal, state and local statutes, ordinances, regulations, rules, executive orders, standards and requirements, including the requirements imposed by common law, concerning or relating to industrial hygiene and the protection of health and the environment including but not limited to: (a) those relating to the generation, manufacture, storage, transportation, disposal, release, emission or discharge of Hazardous Substances (as hereinafter defined); (b) those in connection with the construction, fuel supply, power generation and transmission, waste disposal or any other operations or processes relating to the Property; and (c) those relating to the atmosphere, soil, surface and ground water, wetlands, stream sediments and vegetation on, under, in or about the Property. Any terms mentioned herein which are defined in any Environmental Law shall have the meanings ascribed to such terms in said laws; *provided, however*, that if any of such laws are amended so as to broaden any term defined therein, such broader meaning shall apply subsequent to the effective date of such amendment.

Section 6.2. Representations, Warranties and Covenants. Trustor represents, warrants, covenants and agrees as follows:

(a) Neither Trustor nor the Property or any occupant thereof is in violation of or subject to any existing, pending or threatened investigation or inquiry by any governmental authority pertaining to any Environmental Law. Trustor has provided Beneficiary with an environmental report dated November 20, 2003, prepared by EMG (the "*Environmental Report*"). Trustor shall not hereafter cause or permit the Property to be in violation of, or do anything which would subject the Property to any remedial obligations under, any Environmental Law, and shall promptly notify Beneficiary in writing of any existing, pending or threatened investigation or inquiry by any governmental authority in connection with any Environmental Law. In addition, Trustor shall provide Beneficiary with copies of any and all material written communications with any governmental authority in connection with any Environmental Law, concurrently with Trustor's giving or receiving of same.

(b) Trustor has taken all steps necessary to determine and has, to the best of Trustor's knowledge, based on the Environmental Report, determined that there has been no release, spill, discharge, leak, disposal or emission (individually a "*Release*" and collectively, "*Releases*") of any Hazardous Material, Hazardous Substance or Hazardous Waste, including gasoline, petroleum products, explosives, toxic substances, solid wastes and radioactive materials (collectively, "*Hazardous Substances*") at, upon, under or within the Property. The use which Trustor or any other occupant of the Property hereafter makes or intends to make of the Property will not result in Release of any Hazardous Substances on or to the Property. During the term of this Deed of Trust, Trustor shall take all steps necessary to determine whether a Release of any Hazardous Substances occurs on or to the Property, and if Trustor finds a Release has occurred,

Trustor shall remove or remediate the same promptly upon discovery at its sole cost and expense.

(c) The Property has never, to the best of Trustor's knowledge, based on the Environmental Report, been used by the present or previous owners and/or operators nor will be used in the future to refine, produce, store, handle, transfer, process, transport, generate, manufacture, heat, treat, recycle or dispose of Hazardous Substances.

(d) The Property: (i) is being, and to the best of Trustor's knowledge, based on the Environmental Report, has been operated in compliance with all Environmental Laws, and all permits required thereunder have been obtained and complied with in all respects; and (ii) to the best of Trustor's knowledge, based on the Environmental Report, does not have any Hazardous Substances present excepting small quantities of petroleum and chemical products, in proper storage containers, that are necessary for the construction or operation of the commercial business of Trustor and its tenants, and the usual waste products therefrom ("*Permitted Substances*").

(e) Trustor will and will cause its tenants to operate the Property in compliance with all Environmental Laws and, other than Permitted Substances, will not place or permit to be placed any Hazardous Substances on the Property.

(f) No lien has been attached to or threatened to be imposed upon the Property, and there is no basis for the imposition of any such lien based on any governmental action under Environmental Laws. Neither Trustor nor any other person has been, is or will be involved in operations at the Property which could lead to the imposition of environmental liability on Trustor, or on any subsequent or former owner of the Property, or the creation of an environmental lien on the Property. In the event that any such lien is filed, Trustor shall, within thirty (30) days from the date that the Trustor is given notice of such lien (or within such shorter period of time as is appropriate in the event that steps have commenced to have the Property sold), either: (i) pay the claim and remove the lien from the Property; or (ii) furnish a cash deposit, bond or other security satisfactory in form and substance to Beneficiary in an amount sufficient to discharge the claim out of which the lien arises.

Section 6.3. Right to Inspect and Cure. Beneficiary shall have the right to conduct or have conducted by its agents or contractors such environmental inspections, audits and tests as Beneficiary shall deem necessary or advisable from time to time at the sole cost and expense of Trustor; *provided, however*, that Trustor shall not be obligated to bear the expense of such environmental inspections, audits and tests so long as (a) no Event of Default exists, and (b) Beneficiary has no cause to believe in its reasonable judgment that there has been a Release or threatened Release of Hazardous Substances at the Property or that Trustor or the Property is in violation of any Environmental Law. The cost of such inspections, audits and tests, if chargeable to Trustor as aforesaid, shall be added to the Liabilities and shall be secured by this Deed of Trust. Trustor shall, and shall cause each tenant of the Property to, cooperate with such inspection efforts; such cooperation shall include, without limitation, supplying all information requested concerning the operations conducted and Hazardous Substances located at the

Property. In the event that Trustor fails to comply with any Environmental Law, Beneficiary may, in addition to any of its other remedies under this Deed of Trust, cause the Property to be in compliance with such laws and the cost of such compliance shall be added to the sums secured by this Deed of Trust in accordance with the provisions of Section 1 hereof.

SECTION 7. EVENTS OF DEFAULT.

Each of the following shall constitute a default (each, an "*Event of Default*") hereunder:

- (a) A breach of any covenant contained in Section 2.3, 2.4 or 2.6 hereof;
- (b) A breach by Trustor of any other term, covenant, condition, obligation or agreement under this Deed of Trust, and the continuance of such breach: (i) prior to completion of construction of the Improvements contemplated in the Reimbursement Agreement, for a period of ten (10) days after written notice thereof shall have been given to Trustor; and (ii) following completion of construction of the Improvements, within thirty (30) days after such notice;
- (c) An Event of Default under any of the other Loan Documents not cured as provided therein;
- (d) Any representation or warranty made by Trustor or by any Guarantor (as defined in the Reimbursement Agreement) in any Loan Document or to induce Beneficiary to enter into the transactions contemplated hereunder shall prove to be false, incorrect or misleading in any material respect as of the date when made;
- (e) The filing by Trustor of a petition seeking relief, or the granting of relief (or the involuntary filing for or granting of such relief against Trustor not dismissed in ninety (90) days), under the Federal Bankruptcy Code or any similar federal or state statute; any assignment for the benefit of creditors made by Trustor; the appointment of a custodian, receiver, liquidator or trustee for Trustor or for any of the property of Trustor, or any action by Trustor to effect any of the foregoing; or if Trustor becomes insolvent (however defined) or is not paying its debts generally as they become due;
- (f) The dissolution, liquidation, merger, consolidation or reorganization of Trustor, or the institution of any proceeding to effect any of the foregoing;
- (g) The filing of a lien, judgment or other encumbrance against the Property not satisfied, superseded or transferred to bond within thirty (30) days, or the initiation of any actual proceeding for levy, execution, garnishment, attachment or distraint against the Property, or Trustor based upon a judgment or similar lien not dismissed or abated within ten (10) days;
- (h) A default on the part of the Trustor under any other loan from the Beneficiary to the Trustor not cured as permitted in the documents evidencing or securing

such loan, or under any other obligation secured by the Property or any part thereof not cured as permitted in the documents evidencing or securing such loan or obligation; or

(i) A change in the financial condition of the Trustor which the Lender determines, in the reasonable exercise of Lender's judgment, will materially and adversely affect the ability of the Trustor to repay the obligations secured hereby.

Notwithstanding anything contained herein to the contrary, the parties agree that any act or omission on the part of the Guarantor which would otherwise constitute an Event of Default hereunder may be cured by the Trustor or any member thereof if such party provides a substitute Guarantor within thirty (30) days of such event, and such replacement Guarantor is of equal quality and means and is satisfactory to the Beneficiary in its sole discretion.

Trustor hereby agrees that any cure of any default made or tendered by the Guarantor, or affiliates thereof, shall be deemed to be a cure by the Trustor and shall be accepted or rejected on the same basis as if made or tendered by Trustor.

SECTION 8. REMEDIES.

If an Event of Default shall have occurred and is not cured as permitted herein, Beneficiary (or Trustee if required by law) may, in addition to any of the remedies provided for in Section 4.5, take any of the following actions:

Section 8.1. Acceleration. Beneficiary (or Trustee if required by law) may declare the entire amount of the Liabilities immediately due and payable, without presentment, demand, notice of any kind, protest or notice of protest, all of which are expressly waived, notwithstanding anything to the contrary contained in any of the Loan Documents. Beneficiary (or Trustee if required by law) may charge and collect interest from the date of default on the unpaid balance of the Liabilities, at the Default Rate set forth in the Reimbursement Agreement for the Letter of Credit (the "Default Rate").

Section 8.2. Possession. Beneficiary (or Trustee if required by law) may enter upon and take possession of the Property, with or without legal action, lease the Property, collect therefrom all rentals and, after deducting all costs of collection and administration expense, apply the net rentals to any one or more of the following items in such manner and in such order of priority as Beneficiary, in Beneficiary's sole discretion, may elect: the payment of any sums due under any prior lien, taxes, water and sewer rents, charges and claims, insurance premiums and all other carrying charges, to the maintenance, repair or restoration of the Property, or on account of the Liabilities. Beneficiary (or Trustee if required by law) is given full authority to do any act which Trustor could do in connection with the management and operation of the Property. This covenant is effective either with or without any action brought to foreclose this Deed of Trust and without applying for a receiver of such rents. In addition to the foregoing, upon the occurrence of an Event of Default, Trustor shall pay monthly in advance to Beneficiary or to any receiver appointed to collect said rents the fair and reasonable rental value for Trustor's use and occupation of the Property, and upon default in any such payment Trustor shall vacate and surrender the possession of the Property to Beneficiary (or Trustee if required by law) or to

such receiver. If Trustor does not vacate and surrender the Property then Trustor may be evicted by summary proceedings.

Section 8.3. Foreclosure. Beneficiary (or Trustee if required by law) may institute any one or more actions of mortgage foreclosure against all or any part of the Property, or take such other action at law, equity or by contract for the enforcement of this Deed of Trust and realization on the security herein or elsewhere provided for, as the law may allow, and may proceed therein to final judgment and, subject only to the provisions of Section 9 hereof with respect to recourse against the Trustor, execution for the entire unpaid balance of the Liabilities. The unpaid balance of any judgment shall bear interest at the greater of (a) the statutory rate provided for judgments, or (b) the Default Rate. Beneficiary (or Trustee if required by law) may, if at the time such action may be lawful, subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings, and having first given notice of such sale to Trustor as required by law, sell and dispose of the Property or any part thereof at public auction or private sale to the highest bidder, and either for cash or on credit and on such terms as Beneficiary may determine and at any place (whether or not it be the location of the Property or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales or for any such adjourned sale or sales, without further published notice. Without limiting the foregoing, Beneficiary (or Trustee if required by law) may foreclose this Deed of Trust and exercise its rights as a secured party for all or any portion of the Liabilities which are then due and payable, subject to the continuing lien of this Deed of Trust for the balance not then due and payable. In case of any sale of the Property by judicial proceedings or otherwise, the Property may be sold in one parcel or in such parcels, manner or order as Beneficiary in its sole discretion may elect. Trustor, for itself and anyone claiming by, through or under it, hereby agrees that Beneficiary and Trustee shall in no manner, in law or in equity, be limited, except as herein provided, in the exercise of its rights in the Property or in any other security hereunder or otherwise appertaining to the Liabilities or any other obligation secured by this Deed of Trust, whether by any statute, rule or precedent which may otherwise require said security to be marshaled in any manner and Trustor, for itself and others as aforesaid, hereby expressly waives and releases any right to or benefit thereof. The failure to make any tenant a defendant to a foreclosure proceeding shall not be asserted by Trustor as a defense in any proceeding instituted by Beneficiary or Trustee to collect the Liabilities or any deficiency remaining unpaid after the foreclosure sale of the Property.

Section 8.4. Appointment of Receiver. Beneficiary (or Trustee if required by law) may petition a court of competent jurisdiction to appoint a receiver of the Property. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Trustor at the time of application for such receiver, without regard to the then value of the Property or whether the Property shall be then occupied as a homestead or not, and without regard to whether Trustor has committed waste or allowed deterioration of the Property, and Beneficiary or Trustee or any agent of Beneficiary or Trustee may be appointed as such receiver. Trustor hereby agrees that Beneficiary has a special interest in the Property and absent the appointment of such receiver the Property shall suffer waste and deterioration and Trustor further agrees that it shall not contest the appointment of a receiver and hereby so

stipulates to such appointment pursuant to this paragraph. Such receiver shall have the power to perform all of the acts permitted pursuant to Section 8.2 above and such other powers which may be necessary or customary in such cases for the protection, possession, control, management and operation of the Property during such period.

Section 8.5. Rights as a Secured Party. Beneficiary shall have, in addition to other rights and remedies available at law or in equity, the rights and remedies of a secured party under the Code. Beneficiary may elect to foreclose such of the Property as then comprise fixtures pursuant either to the law applicable to foreclosure of an interest in real estate or to that applicable to personal property under the Code. To the extent permitted by law, Trustor waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect.

Section 8.6. Excess Monies. Beneficiary may apply on account of the Liabilities any unexpended monies still retained by Beneficiary that were paid by Trustor to Beneficiary: (a) for the payment of, or as security for the payment of taxes, assessments or other governmental charges, insurance premiums, or any other charges; or (b) to secure the performance of some act by Trustor. In addition, should Beneficiary or Trustee elect to foreclose the Deed of Trust upon the occurrence of an Event of Default at any time when the Letter of Credit (or any replacement or substitute therefore) is outstanding, or the Beneficiary otherwise remains exposed to liability thereunder, all such excess proceeds may be held by the Beneficiary as substitute collateral for all remaining contingent Liabilities which may thereafter arise by reason thereof.

Section 8.7. Other Remedies. Beneficiary (or Trustee if required by law) shall have the right, from time to time, to bring an appropriate action to recover any sums required to be paid by Trustor under the terms of this Deed of Trust, as they become due, without regard to whether or not any other Liabilities shall be due, and without prejudice to the right of Beneficiary or Trustee thereafter to bring an action of mortgage foreclosure, or any other action, for any default by Trustor existing at the time the earlier action was commenced. In addition, Beneficiary shall have the right to set-off all or any part of any amount due by Trustor to Beneficiary under any of the Liabilities, against any indebtedness, liabilities or obligations owing by Beneficiary in any capacity to Trustor, including any obligation to disburse to Trustor any funds or other property on deposit with or otherwise in the possession, control or custody of Beneficiary.

SECTION 9. RECOURSE.

Section 9.1. Full Recourse. Prior to the Beneficiary's approval of Stabilization (as described in the Reimbursement Agreement), the Liabilities shall be a full recourse obligation of the Trustor, and the Trustor shall have personal liability for the Liabilities secured hereby.

Section 9.2. Partial Recourse. Following the Stabilization (as described in the Reimbursement Agreement), the Beneficiary's sole recourse against the Trustor for any default in the payment of the Liabilities shall be limited to the Project and any other collateral for the obligations evidenced hereby, as described in the other Loan Documents (collectively, the "Collateral").

(a) The limitation of liability set forth in this Section 9 shall not prejudice the Beneficiary's rights to:

(i) Name the Trustor as a party defendant in any action or proceeding subject to the limitations of this Section 9;

(ii) Assert any unpaid portion of the Liabilities as a defense or offset to or against any claim or cause of action made or alleged against the Trustor by the Beneficiary in connection with the transactions contemplated by the Letter of Credit Documents;

(iii) Exercise self-help remedies such as setoff or foreclosure against or sale of any Collateral;

(iv) Collect or recover rents, insurance proceeds, condemnation proceeds, amounts payable under surety bonds or letters of credit, or any damages or awards arising out of any damage or injury to, or decrease in value of, all or part of the Collateral;

(v) Collect or recover an amount from Trustor equal to any rents or other sums of any type specified in clause (iv) above which are not applied as required by the Letter of Credit Documents after an Event of Default hereunder has occurred and while it is continuing;

(vi) Enforce and collect or recover all sums owing with respect to any environmental indemnity or any similar rights to payment and performance which may be executed or granted by the Trustor or any other person in connection with the transactions contemplated by the Letter of Credit Documents;

(vii) Recover any expenses, damages or costs, including reasonable attorneys' fees (including the allocated costs for services of in-house counsel) which the Beneficiary may incur because of the Trustor's fraud, willful misrepresentation, or waste or intentional damage of or to any Collateral;

(viii) Enforce any and all of the Trustor's obligations to complete construction of the Improvements as contemplated by the Letter of Credit Documents;

(ix) Enforce any and all of the Trustor's obligations under the Loan Documents which relate to preserving the condition of the Property or the priority of the Deed of Trust, including obligations to pay all taxes and charges which may affect or become a lien on the Property, to maintain the Property and all insurance in accordance with the Letter of Credit Documents, and to repay all sums advanced by the Beneficiary for any such purposes; and

(x) Enforce any other agreement of the Trustor or any other person which specifically states that it is not subject to the limitation of liability contained in this Section 9.

(b) Nothing contained in this Section 9 shall impair the validity of any Letter of Credit Document.

Section 9.3. Limitations. The limitation of liability set forth above in Section 9 shall be deemed void and shall have no force or effect if the Trustor should attempt to materially delay any foreclosure by the Beneficiary or Trustee of or on the Deed of Trust or any other Collateral, or if the Trustor should claim that any Letter of Credit Document is invalid or unenforceable to an extent that would preclude any such foreclosure. In addition, and notwithstanding the foregoing, the Trustor shall be fully liable to the Beneficiary for any and all losses, expenses, costs and damages (including reasonable attorneys fees incurred by the Beneficiary) arising from any of the following:

(a) Gross negligence, fraud, intentional misrepresentation, or intentional damage of or to the Property by Trustor or any general partner, employee or agent of Trustor;

(b) Failure to pay property taxes or other charges which may become liens on the real property senior to the lien of the Deed of Trust;

(c) Any unsecured loss caused by failure of Trustor to maintain insurance coverage required by the Deed of Trust or any Letter of Credit Document;

(d) Failure of Trustor to keep the Property in substantially good condition and repair or the commission of waste on the Property;

(e) Any inaccuracy in or breach of any representation or warranty pertaining to any Hazardous Materials (as defined in any of the Letter of Credit Documents) or any failure in the due, prompt and complete observance and performance of any covenant or agreement pertaining to any Hazardous Materials as set forth in any of the Letter of Credit Documents;

(f) Retention of any rents or other income, insurance proceeds, condemnation or eminent domain awards or other similar funds or payments attributable to any property securing the Reimbursement Agreement or Letter of Credit Documents which, under the terms thereof, should have been paid to Beneficiary;

(g) Failure of the Property to comply with the Americans with Disabilities Act of 1990, as amended, or any other similar building laws after any governmental authority has notified Trustor, its agents, employees and/or contractors of such non-compliance, as applicable;

(h) Willful or grossly negligent violation of applicable law; and

(i) Failure of Trustor to pay all amounts payable under the Reimbursement Agreement in full, together with reasonable attorneys' fees, if Trustor transfers or encumbers the Property in contravention of the Letter of Credit Documents.

SECTION 10. MISCELLANEOUS.

Section 10.1. Notices. All notices and communications under this Deed of Trust shall be in writing and shall be given by either (a) hand-delivery, (b) certified, first class mail (postage prepaid, return receipt requested), or (c) reliable overnight commercial courier (charges prepaid), to the addresses listed in this Deed of Trust. Notice shall be deemed to have been given and received: (a) if by hand delivery, upon delivery; (b) if by mail, five (5) calendar days after the date first deposited in the United States mail first class, certified mail, return receipt requested, confirmed by facsimile; and (c) if by overnight courier, on the date of delivery. Notices should be addressed as follows; *provided* a party may change its address by giving written notice to the other party as specified herein:

If to the Trustor:	BP-UT 2, LLC c/o Bridge Partners, Inc. 5295 South Commerce Drive, Suite 175 Murray, Utah 84107-4786 Attention: D. Russell Minnick Phone: (801) 284-2930 Fax: (801) 284-5975 Email: rminnick@bridgepm.com
If to the Beneficiary:	Citibank USA, National Association 701 East 60th Street North Mail Code 1126 Sioux Falls, South Dakota 57104 Attention: Gene Rowenhorst Phone: (605) 331-2721 Fax: (605) 330-6737 Email: eugene.rowenhorst@citigroup.com
If to the Trustee:	Integrated Title Insurance Services, LLC 6925 Union Park Center, #160 Midvale, Utah 84047 Attention: Bill Roeder Phone: (801) 307-0160 Fax: (801) 307-0170 Email: broeder@itstitle.com

Section 10.2. Remedies Cumulative. The rights and remedies of Beneficiary and Trustee as provided in this Deed of Trust or in any other Loan Document shall be cumulative and concurrent, may be pursued separately, successively or together, may be exercised as often as occasion therefor shall arise, and shall be in addition to any other rights or remedies conferred upon Beneficiary and Trustee at law or in equity. The failure, at any one or more times, of Beneficiary or Trustee to assert the right to declare the Liabilities due, grant any extension of time for payment of the Liabilities, take other or additional security for the payment thereof, release any security, change any of the terms of the Loan Documents, or waive or fail to exercise

any right or remedy under any Loan Document shall not in any way affect this Deed of Trust or the rights of Beneficiary or Trustee.

Section 10.3. No Implied Waiver. Beneficiary shall not be deemed to have modified or waived any of its rights or remedies hereunder unless such modification or waiver is in writing and signed by Beneficiary, and then only to the extent specifically set forth therein. A waiver in one event shall not be construed as continuing or as a waiver of or bar to such right or remedy on a subsequent event.

Section 10.4. Partial Invalidity. The invalidity or unenforceability of any one or more provisions of this Deed of Trust shall not render any other provision invalid or unenforceable. In lieu of any invalid or unenforceable provision, there shall be added automatically a valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible.

Section 10.5. Binding Effect. The covenants, conditions, waivers, releases and agreements contained in this Deed of Trust shall bind, and the benefits thereof shall inure to, the parties hereto and their respective heirs, executors, administrators, successors and assigns and are intended and shall be held to be real covenants running with the land; *provided, however,* that this Deed of Trust cannot be assigned by Trustor without the prior written consent of Beneficiary, and any such assignment or attempted assignment by Trustor shall be void and of no effect with respect to Beneficiary.

Section 10.6. Modifications. This Deed of Trust may not be supplemented, extended, modified or terminated except by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

Section 10.7. Commercial Loan. Trustor represents and warrants that the loans or other financial accommodations included as Liabilities secured by this Deed of Trust were obtained solely for the purpose of carrying on or acquiring a business or commercial investment and not for residential, consumer or household purposes.

Section 10.8. Governing Law. This Deed of Trust shall be governed by and construed in accordance with the substantive laws of the State of Utah without reference to conflict of laws principles.

Section 10.9. Joint and Several Liability. If the Trustor consists of more than one person or entity, the term Trustor shall mean each of them and their liability shall be joint and several.

Section 10.10. Non-Merger. In the event Beneficiary shall acquire title to the Property by conveyance from Trustor or as a result of foreclosure, this Deed of Trust shall not merge in the fee estate of the Property but shall remain and continue as an existing and enforceable lien for the Liabilities secured hereby until released of record by Beneficiary (or Trustee if required by law) in writing.

Section 10.11. Waiver of Jury Trial and Limitation of Remedies. TRUSTOR AND BENEFICIARY AGREE THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY SUIT, ACTION OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT BY BENEFICIARY OR TRUSTOR, ON OR WITH RESPECT TO THIS DEED OF TRUST OR ANY OTHER LOAN DOCUMENT OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO OR THERETO, SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. BENEFICIARY AND TRUSTOR EACH HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND INTELLIGENTLY, AND WITH THE ADVICE OF THEIR RESPECTIVE COUNSEL, WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, EACH PARTY WAIVES ANY RIGHT IT MAY HAVE AGAINST THE OTHER TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL OR OTHER DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. TRUSTOR ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS DEED OF TRUST AND THAT BENEFICIARY WOULD NOT EXTEND CREDIT TO TRUSTOR IF THE WAIVERS SET FORTH IN THIS SECTION WERE NOT A PART OF THIS DEED OF TRUST.

Section 10.12. Successor Trustee. The Beneficiary may, at any time, by instrument in writing, appoint a successor or successors to, or discharge and appoint a new Trustee in the place of, any Trustee named herein or acting hereunder, which instrument, executed and acknowledged by the Trustee, and recorded in the office of the County recorder of the county wherein the Property is situated, shall be conclusive proof of the proper substitution of such successor or successors or new Trustee, who shall have all the estate powers, duties, rights and privileges of the predecessor Trustee.

IN WITNESS WHEREOF, the Trustor has hereunto set its hand and seal the day and year first above written.

BP-UT 2, LLC,
a Delaware limited liability company

By BP-UT 2 Holdings L.C.,
a Utah limited liability company,
Its Managing Member

By *Daniel R. Stanger*
Danuel R. Stanger, Manager

STATE OF UTAH)
) SS
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 13 day of April, 2004, by Danuel R. Stanger, as manager of BP-UT 2 Holdings L.C., a Utah limited liability company, as Managing Member of BP-UT 2, LLC, a Delaware limited liability company, on behalf of the company.



Denise A. Kelly
Notary Public, State of Utah

Name: DENISE A. KELLY
My Commission Expires: 10/23/2006

EXHIBIT A

DESCRIPTION OF REAL ESTATE

Parcel 1:

Beginning at a point which is on the North right of way of 3500 South Street, said point being North 89°57'29" East, 953.33 feet along the South section line of Section 29, and North 0°00'17" East 53.00 feet from the Southwest corner of said Section 29, Township 1 South, Range 1 West, Salt Lake Base and Meridian and running thence North 0°00'17" East 766.30 feet along the projected line of the East boundary of Samuel P. Robinson property to a point on the Southerly right of way line of Rockwood Way, which said point is on a curve to the left, the radius point of which is North 52°35'37" West 259.18 feet; thence along said Southerly right of way line as follows: Easterly along the arc of said curve 42.71 feet to a point of tangency; thence North 27°57'50" East 9.49 feet to a point on a 230.44 foot radius curve to the right; thence Easterly along the arc of said curve 337.84 feet to a point of tangency; thence South 68°02'0" East 27.38 feet to a point on a 507.47 foot radius curve to the left; thence Easterly along the arc of said curve 194.54 feet to a point of tangency; thence East 160.91 feet to a point on a 105.00 foot radius curve to the left; thence Northeasterly along the arc of said curve 164.93 feet to a point on a 1843.86 foot radius curve to the right (radius point bears West); said point being on the Westerly line of a proposed thoroughfare; thence leaving the Southerly right of way line of Rockwood Way and running Southerly along the Westerly line of the proposed thoroughfare and the arc of said curve 6.13 feet (long chord bears South 0°05'43" West 6.13 feet) to a point on a 2659.75 foot radius curve to the right (radius point bears north 86°39'45" West); thence Southwesterly along the arc of said curve 458.99 feet (long chord bears South 8°16'53" West 458.42 feet); thence South 14°55'25" West 273.13 feet; thence South 89°57'29" West 411.99 feet along the projected line of the North boundary of F.C. Stangl III Property; thence South 0°00'17" West 50.00 feet along the West boundary of F.C. Stangl III Property; thence South 89°57'29" West 150.00 feet along the North boundary of Mondak Partners property; thence South 0°00'17" West 200.00 feet along the West boundary of Mondak Partners property to a point on the North right of way line of 3500 South Street; thence South 89°57'29" West 100.00 feet along said right of way line to the point of beginning.

Parcel Identification No. 15-29-352-008

Parcel 2:

Together with a perpetual non exclusive easement for pedestrian purposes, through, over and across the following: Beginning at a point located North 89°57'29" East 708.33 feet and North 0°00'17" East 343 feet from the Southwest corner of Section 29, Township 1 South, Range 1 West, Salt Lake Base and Meridian, and running thence North 0°00'17" East, 15 feet; thence North 89°57'29" East 245.00 feet; thence South 0°00'17" West, 15 feet; thence South 89°57'29" West, 245.00 feet to the point of beginning, as created by that certain Grant of Easement recorded December 20, 1977 as Entry No. 3040777 in Book 4598 at Page 747 of Official Records.