

WHEN RECORDED, MAIL TO:

DNCRE Corporation  
1353 North 1075 West, Suite 6  
Farmington, Utah 84025

RETURNED  
SEP 25 2019

Space Above for Recorder's Use  
Tax Parcel No. 11-003-0106

### TRUST DEED AND ASSIGNMENT OF RENTS

THIS TRUST DEED AND ASSIGNMENT OF RENTS ("**Trust Deed**") is made as of August 13, 2019, between DNCRE Development LLC, a Utah limited liability company, as Trustor, whose address is 1353 North 1075 West, Suite 6, Farmington, Utah 84025, Meridian Title Company, as Trustee, and DNCRE Opportunity Fund LLC, a Utah limited liability company, as Beneficiary, with a mailing address of 1353 North 1075 West, Suite 6, Farmington, Utah 84025.

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably conveys and warrants to Trustee, in trust, with power of sale, for the benefit and security of Beneficiary, the real property, situated in Davis County, Utah ("**Property**"), described as follows:

Beginning at the intersection of the South line of Gentile Street and the West line of Fairfield Road, North 476.628 feet and East 1177.454 feet from the Southwest corner of Section 22, Township 4 North, Range 1 West, Salt Lake Meridian, in the City of Layton; and running thence South 21°41'43" East 145.00 feet along the West line of Fairfield Road; thence South 69°26'37" West 160.00 feet, thence North 21°41'43" West 145.00 feet to the South line of Gentile Street; thence North 69°26'37" East 160.00 feet along said South line to the point of beginning.

TOGETHER WITH all buildings, fixtures and improvements thereon and all water rights, rights of way, easements, rents, issues, profits, income, tenements, hereditaments, privileges and appurtenances thereunto belonging, now or hereafter used or enjoyed with the Property, or any part thereof, subject, however, to the right, power and authority hereinafter given to Beneficiary to collect and apply such rents, issues, and profits. The entire estate, property and interest hereby conveyed to Trustee may hereinafter be referred to collectively as the "**Trust Estate**".

This Trust Deed is given for the purpose of securing (1) the performance of the obligations evidenced by that certain Development Agreement of even date herewith ("**Development Agreement**") between Trustor and Beneficiary, and any extensions and/or renewals or modifications thereof; (2) the performance of each agreement and covenant of Trustor herein contained; (3) the payment of loans or advances as hereafter may be made to Trustor, or its successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Trust Deed; and (4) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms hereof, together with interest thereon as herein provided.

TO PROTECT THE SECURITY OF THIS TRUST DEED, TRUSTOR COVENANTS AND AGREES:

1. Maintenance; Repair. To keep the Trust Estate in good condition and repair; not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting the Trust Estate; not to commit or permit waste thereof; not to commit, suffer or permit any act upon the Trust Estate in violation of law; to do all other acts which from the character or use of the Trust Estate may be reasonably necessary, the specific enumerations herein not excluding the general. Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Trustor under this paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

2. Insurance; Indemnification.

(a) To provide and maintain insurance, of such type or types as shown on Exhibit A or as Beneficiary may otherwise require, on the improvements, whether now existing or hereafter erected or placed on the Property. Such insurance shall be in an amount not less than the full replacement cost of such improvements and shall be carried in companies approved by Beneficiary with loss payable clauses in favor of and in form acceptable to Beneficiary. In event of loss, Trustor shall give immediate notice to Beneficiary, who may make proof of loss, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary instead of to Trustor and Beneficiary jointly, and the insurance proceeds, or any part thereof, may be applied by Beneficiary, at its option, to reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. Beneficiary may require, in its sole discretion, that Trustor pay the insurance premiums required hereunder directly to an escrow agent on a monthly basis.

(b) Trustor shall indemnify Beneficiary against, and shall hold it harmless from, all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorney's fees and other legal expenses, cost of evidence of title, cost of evidence of value, and other expenses which Beneficiary may suffer or incur, (i) by reason of this Trust Deed, (ii) in performance of any act required or permitted hereunder or by law, (iii) as a result of any failure of Trustor to perform any of Trustor's obligations or (iv) by reason of any alleged obligation or undertaking on Beneficiary's part to perform or discharge any of the representations, warranties, conditions, covenants, or other obligations contained in any other document related to any of the Trust Estate.

3. Evidence of Title. To deliver to, pay for and maintain with Beneficiary until the indebtedness secured hereby is paid in full, such evidence of title as Beneficiary may require, including abstracts of title or policies of title insurance and any extensions or renewals thereof or supplements thereto.

4. Actions Affecting the Trust Estate. To appear in and defend any action or proceeding purporting to affect the security hereof, the title to the Trust Estate, or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to also appear in or

defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum incurred by Beneficiary or Trustee.

5. Taxes and Impositions. To pay at least ten days before delinquency all taxes and assessments affecting the Trust Estate, including all assessments upon water company stock and all rents, assessments and charges for water, appurtenant to or used in connection with the Trust Estate; to pay, when due, all encumbrances, charges, and liens with interest, on the Trust Estate or any part thereof; which at any time appear to be prior or superior hereto; to pay all costs, fees, and expenses of this Trust Deed. Beneficiary may require, in its sole discretion, that Trustor pay the taxes and assessments required hereunder directly to an escrow agent on a monthly basis.

6. Actions by Trustee and/or Beneficiary to Preserve Trust Estate. Should Trustor fail to make any payment or to do any act or herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may; Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the Trust Estate for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights of powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title, employ counsel, and pay reasonable legal fees.

7. Repayment of Expenses. To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate of ten (10) percent per annum until paid, and the repayment thereof shall be secured hereby.

8. Environmental Indemnification.

(a) Trustor shall neither use nor permit any third party to use, generate, manufacture, produce, store, or release, on, under or about the Property, or transfer to or from the Property, any Hazardous Substance (defined below), except in compliance with all Environmental Laws (defined below), and shall otherwise comply, at Trustor's sole expense and responsibility, with all Environmental Laws, provided that if any such occurrence shall nevertheless happen, Trustor shall promptly remedy such condition, at its sole expense and responsibility. Trustor shall not permit any environmental liens to be placed on any portion of the Property. Trustor shall promptly notify Beneficiary in writing if (a) any of the representations and warranties herein are no longer accurate, (b) there may be any Hazardous Substance in, on or around the Property or the soil, groundwater or soil vapor on or under the Property, or (c) any violation of any Environmental Law on or affecting or otherwise in respect of the Property has occurred. Beneficiary and its agents shall have the right, and are hereby authorized, at any reasonable time to enter upon the Property for the purposes of observing the Property, taking and removing soil or groundwater samples, and conducting tests and/or site assessments on the Property, or taking such other actions as Beneficiary deems necessary or advisable to cleanup, remove, resolve, or minimize the impact of, or otherwise deal with, any Hazardous Substances on or affecting the Property following receipt of any notice from any person or entity asserting the existence or possible existence of any Hazardous Substances pertaining to the Property, that, if true, could jeopardize Beneficiary's

security for the Obligations. All reasonable costs and expenses paid or incurred by Beneficiary in the exercise of any such rights shall be secured hereby and shall be payable by Trustor upon demand.

(b) Trustor shall indemnify and hold Beneficiary, its directors, officers, employees, agents, employees, successors and assigns, harmless from, for and against any and all actions, causes of action, claims, liabilities, damages (including foreseeable and unforeseeable consequential damages), losses, fines, penalties, judgments, awards, settlements, and costs and expenses (including, without limitation, reasonable attorneys' fees, experts', engineers' and consultants' fees, and costs and expenses of investigation, testing, remediation and dispute resolution) (collectively referred to as "**Environmental Costs**") that directly or indirectly arise out of or relate in any way to: (a) Any investigation, cleanup, removal, remediation, or restoration work of site conditions of the Property relating to Hazardous Substances; (b) Any resulting damages, harm, or injuries to the person or property of any third parties or to any natural resources involving Hazardous Substances relating to the Property; (c) Any actual or alleged past or present disposal, generation, manufacture, presence, processing, production, release, storage, transportation, treatment, or use of any Hazardous Substance on, under, or about the Property; (d) Any actual or alleged past or present violation of any Environmental Law relating to the Property; (e) Any lien on any part of the Property under any Environmental Law; or (f) Breach of any representation or warranty by or covenant of Trustor herein. Notwithstanding anything contained herein to the contrary, the foregoing indemnity shall not apply to (i) matters resulting from the gross negligence or willful misconduct of Beneficiary, or (ii) matters resulting solely from the actions of Beneficiary. This indemnity shall continue in full force and effect and shall survive the payment and performance of the Obligations, the release of record of the lien, or any foreclosure (or action in lieu thereof), of this Trust Deed, the exercise by Beneficiary of any other remedy under this Trust Deed or any other document or instrument evidencing or securing the Obligations, and any suit, proceeding or judgment against Trustor by Beneficiary hereon.

(c) As used herein: the term "**Hazardous Substance**" shall mean any substance, material, or waste that is (a) included within the definitions of "hazardous substances," "hazardous materials," "hazardous waste," "toxic substances," "toxic materials," "toxic waste," or words of similar import in any Environmental Law, (b) listed as hazardous substances by the United States Department of Transportation or by the Environmental Protection Agency, or (c) petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical; and the term "**Environmental Law**" shall mean any federal, state or local law, rule, regulation, decision, policy or guideline, pertaining to Hazardous Substances, or protection of the environment, and all present and future amendments thereto.

IT IS MUTUALLY AGREED THAT:

9. Proceeds from Condemnation of Destruction. Should the Trust Estate or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation,

awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting the Trust Estate, are hereby assigned to Beneficiary, who may, after deducting therefrom all its expenses, including attorneys' fees, apply the same on any indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damages, and rights of action and proceeds as Beneficiary or Trustee may require.

10. Beneficiary's Powers. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Trust Deed for endorsement (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the indebtedness secured hereby, Trustee may (a) consent to the making of any map or plat of the Property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Trust Deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of said property. The grantee in any reconveyance may be described as "the person or persons entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of truthfulness thereof. Trustor agrees to pay reasonable Trustee's fees for any of the services mentioned in this paragraph.

11. Assignment of Rents. As additional security, Trustor hereby assigns Beneficiary, during the continuance of these trusts, all rents, issues, royalties and profits of the Trust Estate and of any personal property located thereon. Until Trustor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Trustor shall have the right to collect all such rents, issues, royalties and profits earned prior to default as they become due and payable. If Trustor shall default as aforesaid, Trustor's right to collect any of such moneys shall cease and Beneficiary shall have the right, with or without taking possession of the Trust Estate, to collect all rents, royalties, issues and profits. Failure or discontinuance of Beneficiary at any time or from time to time to collect any such moneys shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power, and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Trust Deed to any such tenancy, lease or option.

12. Appointment of Receiver. Upon any default by Trustor hereunder, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court (Trustor hereby irrevocably consenting to the appointment of such receiver), and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Trust Estate or any part thereof, in its own name sue for or otherwise collect said rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine.

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

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

15. Time of the Essence; Default; Acceleration. Time is of the essence hereof. Upon default by Trustor in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of Beneficiary.

16. Foreclosure by Power of Sale. In the event of such default, Beneficiary may execute or cause Trustee to execute a written notice of default and of election to cause the Trust Estate to be sold to satisfy the obligations hereof, and Trustee shall file such notice for record in the county wherein the Property or some part or parcel thereof is situated. Beneficiary also shall deposit with Trustee, all documents evidencing expenditures secured hereby. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Trust Estate on the date and at the time and place designated in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any statutory right of Trustor to direct the order in which such property, if consisting of several known lots or parcels, shall be sold), at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause he deems expedient, postpone the sale from time to time until it shall be completed and, in every case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale; provided, if the sale is postponed for longer than allowed by law, notice thereof shall be given in the same manner as the original notice of sale. Trustee shall execute and deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale. Trustee shall apply the proceeds of the sale to payment of (1) the costs and expenses of exercising the power of sale and of the sale, including the payment of Trustee's and Beneficiary's attorneys' fees; (2) cost of any evidence of title procured in connection with such sale; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at ten (10) percent per annum from date of expenditure; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto, or Trustee, in its discretion, may deposit the balance of such proceeds with the County Clerk of the county in which the sale took place.

17. Additional Remedies. Upon the occurrence of any default hereunder, Beneficiary shall have any remedy available at law, including the option to declare all sums secured hereby immediately due and payable and foreclose this Trust Deed in the manner provided by law for the foreclosure of mortgages on real property and Beneficiary shall be entitled to recover in such proceeding all costs and expenses incident thereto, including a reasonable attorneys' fee in such amount as shall be fixed by the court.

18. Restrictions on Transfer. In the event of any sale, assignment, transfer, conveyance or other disposition or subjection to any lien, voluntary or involuntary, whether by operation of law or otherwise, of the Trust Estate, or any part thereof or any interest therein, without in each

instance the prior written consent of Beneficiary, which consent Beneficiary may withhold in its sole discretion, the entire unpaid principal balance of the indebtedness secured hereby together with accrued interest shall immediately become due and payable at the option of Beneficiary.

19. Successor Trustee. Beneficiary may appoint a successor trustee at any time by filing for record in the office of the County Recorder of each county in which the Property or some part thereof is situated, a substitution of trustee. From the time the substitution is filed for record, the new trustee shall succeed to all the powers, duties, authority and title of the trustee named herein or of any successor trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made, in the manner provided by law.

20. Successors and Assigns; Joint and Several Obligations. This Trust Deed shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. All obligations of Trustor hereunder are joint and several. In this Trust Deed, whenever the context requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

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

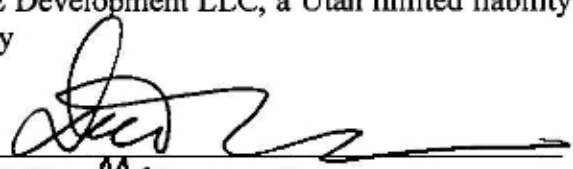
22. Governing Law. This Trust Deed shall be governed by, and construed in accordance with, the laws of the State of Utah, exclusive of its principles relating to the choice of law. Trustor agrees that any action or claim arising out of, or any dispute in connection with, this Trust Deed, any rights, remedies, obligations or duties hereunder, or the performance or enforcement hereof or thereof, may be brought in the federal or state courts located in the State of Utah, and Trustor expressly consents to the jurisdiction of such courts.

23. Notice of Default and Sale. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at the address hereinbefore set forth.

IN WITNESS WHEREOF, Trustor has executed this Trust Deed as of the date first above written.

**TRUSTOR:**

DNCRE Development LLC, a Utah limited liability company

By:   
Print Name: Manu  
Title: Dell Nichols





**EXHIBIT A  
TO  
TRUST DEED AND ASSIGNMENT OF RENTS**

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(Insurance Requirements)

1. Casualty Insurance. Trustor shall at all times keep the Trust Estate insured for the benefit of Beneficiary as follows:

(a) Against damage or loss by fire and such other hazards (including lightning, windstorm, hail, explosion, riot, civil commotion, vandalism, malicious mischief, vehicle, and smoke) as are covered by the broadest form of extended coverage endorsement available from time to time, in an amount not less than the full insurable value (as defined below) of the Trust Estate, with a deductible amount not to exceed an amount satisfactory to Beneficiary;

(b) Against damage or loss by flood if the Property is located in an area identified by the Secretary of Housing and Urban Development or any successor or other appropriate authority (governmental or private) as an area having special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as amended, modified, supplemented, or replaced from time to time, on such basis and in such amounts as Beneficiary may require; and

(c) Against damage or loss by earthquake, in an amount and with a deductible satisfactory to Beneficiary.

2. Liability Insurance. Trustor shall procure commercial general liability insurance covering Trustor and Beneficiary against claims for bodily injury or death or for damage occurring in, on, about, or resulting from the Trust Estate, or any street, drive, sidewalk, curb, or passageway adjacent to it, in standard form and with such insurance company or companies and in an amount of at least \$3,000,000.00 combined single limit, or such greater amount as Beneficiary may require, which insurance shall include blanket contractual liability coverage that insures contractual liability under the indemnifications set forth in this Trust Deed (but such coverage or its amount shall in no way limit such indemnification).

3. Other Insurance. Trustor shall procure and maintain such other insurance or such additional amounts of insurance, covering Trustor or the Trust Estate may be required by Beneficiary from time to time.

4. Replacement Cost. The term "full insurable value" means the actual cost of replacing the Trust Estate in question, without allowance for depreciation, as calculated from time to time (but not more often than once every calendar year) by the insurance company or companies holding such insurance or, at Beneficiary's request, by appraisal made by an appraiser, engineer, architect, or contractor proposed by Trustor and approved by said insurance company or companies and Beneficiary. Trustor shall pay the cost of such appraisal.

5. Insurance Requirements. Trustor will maintain with financially sound and reputable carriers having a financial strength rating of at least A- by A.M. Best Company insurance required pursuant to this Trust Deed. Trustor will furnish to Beneficiary information in reasonable detail as to the insurance so maintained. All insurance policies required hereunder shall name the Beneficiary as an additional insured or as lender's loss payee, as applicable, and shall contain lender loss payable clauses or mortgagee clauses, through endorsements in form and substance satisfactory to the Beneficiary, which provide that: (i) all proceeds thereunder with respect to the Trust Estate shall be payable to the Beneficiary; (ii) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy; and (iii) such policy and lender loss payable or mortgagee clauses may be canceled, amended, or terminated only upon at least thirty (30) days prior written notice given to the Beneficiary.