

WHEN RECORDED, RETURN TO:

James Chellis  
1715 Q St., NW  
Washington, DC 20009

16-08-176-015

12948797

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RASHELLE HOBBS

Recorder, Salt Lake County, UT

COTTONWOOD TITLE

BY: eCASH, DEPUTY - EF 9 P.

## DEED OF TRUST

THIS DEED OF TRUST (also referred to as "Trust Deed" herein and in related instruments), is made this 12<sup>th</sup> day of March, 2019, between CLEARWATER HOMES, LLC, a Utah limited liability company, whose address is 336 West Broadway, #110, Salt Lake City, UT 84101, as Trustor, COTTONWOOD TITLE INSURANCE AGENCY, INC., whose address is 1996 East 6400 South, Suite 120, Salt Lake City, UT 84121, as Trustee, and JAMES CHELLIS, an individual, whose address is 1715 Q St., NW, Washington, DC 20009, as Beneficiary.

### WITNESSETH:

THAT TRUSTOR DOES HEREBY IRREVOCABLY GRANT, BARGAIN, SELL, CONVEY AND WARRANT TO TRUSTEE IN TRUST WITH POWER OF SALE, the following described property situated in Salt Lake County, State of Utah, the record owner of which is Trustor (the "Property"):

See description on Exhibit "A" attached hereto and by this reference incorporated herein.

Together with all buildings, fixtures, improvements and personal property thereon, and all rights of way, easements, rents, general intangibles, issues, income, tenements, hereditaments, privileges and appurtenances thereunto belonging, now or hereafter acquired, used or enjoyed with said Property, or any part thereof.

FOR THE PURPOSE OF SECURING: (1) payment of the indebtedness evidenced by a Secured Promissory Note dated January 8, 2019 in the principal sum of \$321,000, made by Trustor, payable to the order of Beneficiary at the times, in the manner and with interest as therein set forth, and any extensions and/or renewals or modifications thereof ("Note 1"); (2) payment of the indebtedness evidenced by a Secured Promissory Note dated January 8, 2019 in the principal sum of \$800,000, made by Trustor, payable to the order of 847, Inc. a Utah corporation, and assigned to Beneficiary, at the times, in the manner and with interest as therein set forth, and any extensions and/or renewals or modifications thereof ("Note 2"); (3) the performance of each agreement of Trustor herein and in both Note 1 and Note 2 (collectively, the "Notes") contained; 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, AND FOR OTHER PURPOSES, TRUSTOR AGREES:

ACCOMMODATION - RECORDING ONLY  
COTTONWOOD TITLE INSURANCE AGENCY, INC. MAKES NO REPRESENTATION AS TO  
CONDITION OF TITLE, NOR DOES IT ASSUME  
ANY RESPONSIBILITY FOR VALIDITY,  
SUFFICIENCY OR EFFECTS OF DOCUMENT.

covenants and restrictions affecting said Property; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said Property in violation of law; to do all other acts which from the character or use of said Property 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 numbered paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon as provided in this instrument, and as allowed by law.

2. To execute or procure any and all documents Beneficiary may deem necessary from time to time in order to protect Beneficiary's security interest and priority in said Property, including all fixtures and improvements hereafter acquired, used or enjoyed with, or installed in, affixed or attached to, said property or any parts thereof, including, but not by way of limitation, security agreements, financing statements, continuation statements, and Consents or Subordination Agreements in a form which will satisfy the provisions of the Uniform Commercial Code, and to pay all costs of preparation and filing or recording the same.

3. To protect and hold Beneficiary safe from any expense and from all damage due to diminution in value of said Property or otherwise, resulting from claims of any other parties including other security interests in fixtures and improvements hereafter acquired, or installed in, affixed or attached to said property or any part thereof.

4. To appear in and defend any action or proceeding purporting to affect the security hereof, the title to said Property, or said fixtures hereafter acquired, or the rights or powers of Beneficiary or Trustee at Trustor's sole expense; and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including costs of evidence of title and attorneys' fees in a reasonable sum incurred by Beneficiary or Trustee.

5. To pay or cause to be discharged at least ten (10) days before delinquency all taxes and assessments affecting said Property, together with costs or penalties thereon, including all rents, assessments and charges for water appurtenant to or used in connection with said Property; to pay and discharge when due all encumbrances, charges, and liens on said Property or any part thereof which at any time appear to be prior or superior hereto and to pay all costs, fees, and expenses of this Trust Deed.

6. Should Trustor fail to make payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: 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 said Property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the powers or rights 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, including cost of evidence of title and employment of counsel, and payment of reasonable attorney's fees. Provided, however, that nothing in this paragraph shall prevent Trustor from contesting, in good faith and according to law, any lien or assessment against

the Property if Trustor shall first furnish to Beneficiary a bond, either cash or by a bonding company satisfactory to Beneficiary, in sum sufficient and conditioned to pay the contested obligation should Trustor be unsuccessful.

7. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to this Trust Deed, and the payment thereof shall be secured hereby.

IT IS MUTUALLY AGREED THAT:

8. Should said Property 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, 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 said Property, are hereby assigned to Beneficiary, who may, after deducting therefrom all its expenses, including reasonable attorney's fees, apply the same on any indebtedness secured hereby, and in such order as Beneficiary may determine, or at its option, the entire amount so collected, or any part thereof, may be released to Trustor in such manner and upon such conditions as Beneficiary may impose, for the purpose of making repairs, alterations or improvements upon said Property, or for any other purpose whatever, without liability upon Beneficiary for such release (neither Trustee nor Beneficiary being obligated to see to the proper application thereof), in which event the amount so released shall not be deemed a payment upon the 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. Nothing in this paragraph 8 shall entitle Beneficiary to retain any compensation, award, insurance payment or any other payment or relief in excess of the unpaid balance of the Notes. All additional proceeds, if any, shall be delivered to Trustor.

9. Without affecting the liability of any person, including Trustor, for the payment of any indebtedness secured hereby, or the lien of this Deed of Trust on the remainder of the Property for the full amount of any indebtedness unpaid, Beneficiary and Trustee are respectively empowered as follows: Beneficiary may from time to time and without notice: (a) release any person liable for the payment of any of the indebtedness, (b) extend the time or otherwise alter the terms of payment of any of the indebtedness, (c) alter, substitute or release any property securing the indebtedness; Trustee may, at any time, and from time to time, upon the written request of Beneficiary (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 Deed of Trust or the lien or charge thereof, (d) reconvey, without warranty, all or any part of the Property.

10. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Trust Deed and said Notes to Trustee for cancellation and retention and upon payment of his fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of

the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons entitled thereto." Trustor agrees to pay reasonable Trustee's fees for any of the services mentioned in this paragraph 10 and the preceding paragraph 9 or elsewhere herein.

11. The indebtedness secured by this Trust Deed may now or hereafter be further secured by mortgages, trust deeds, pledges, contracts of guaranty, security agreements, assignments of rent or other additional securities. Beneficiary or Trustee may, at the option of both or either of them, exhaust any one or more of said securities as well as the security hereunder, either concurrently or independently, and in such order as they or either of them may determine, and apply the proceeds received upon the indebtedness secured hereby without affecting the status of, or waiving any right to exhaust all or any other security, including the security hereunder, and without waiving any breach or default or any right or power whether exercised hereunder or contained herein, or in any such other security.

12. As additional security, Trustor hereby assigns to Beneficiary, during the continuance of this trust, all rents, issues, royalties, accounts and general intangibles of the Property affected by this Trust Deed 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 such rents, issues, and royalties 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 Property affected hereby, to collect all rents, royalties and issues. 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 herein contained, 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.

13. (a) 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 consenting to the appointment of Beneficiary as such receiver), and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said Property or any part thereof, in its own name sue for or otherwise collect said rents and issues including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby and in such order as Beneficiary may determine. Trustor expressly agrees that Beneficiary shall not be required to show that any property (nor the rents and issues thereof) is in danger of being lost, removed or injured or that any property is insufficient to discharge the debts secured hereby in order to obtain the appointment of a receiver, and Trustor and Beneficiary agree that, to the fullest extent allowable, this provision is intended to control over any judicial rules or presumptions to the contrary, and Trustor expressly waives the benefit of any such rule or presumption.

(b) The entering upon and taking possession of said Property, the collection of such rents, issues or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of said Property, and the application or release thereof as aforesaid, shall

not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

14. 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. (a) 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, and failure to cure such default within any grace periods provided in the Notes, all sums secured hereby shall immediately become due and payable at the option of Beneficiary. In the event of such default, Beneficiary may execute or cause Trustee to execute a written notice of default and of election to cause said Property to be sold to satisfy the obligations hereof, and Trustee shall file such notice for record in each county wherein said Property or some part or parcel thereof is situated. Beneficiary shall also deposit with Trustee, the Notes and all documents evidencing expenditures secured hereby.

(b) If Beneficiary invokes the power of sale, Trustee and Beneficiary shall take such action regarding notice of sale and shall give such notices to Trustor and to other persons as applicable law may require. 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 said Property 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 such case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale, unless otherwise required by law. Trustee shall execute and deliver to the purchaser his Deed conveying said Property so sold without any covenant or warranty, express or implied. The recitals in the Trustee's Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including the Beneficiary, may bid at the sale. Trustee shall apply the proceeds of the sale in the following order: (1) reasonable costs and expenses of the sale, including but not limited to, reasonable Trustee's and attorney's fees; (2) cost of any evidence of title procured in connection with such sale and revenue stamps or similar taxes on Trustee's Deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at the rate set forth in the Notes secured hereby 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 the Trustee, in his discretion, may deposit the balance of such proceeds with the County Clerk of the county in which the sale took place.

16. Trustor agrees to surrender possession of the hereinabove described Property to the purchaser at the aforesaid sale, immediately after such sale, in the event such possession has not previously been surrendered by Trustor.

17. Upon the occurrence of any default hereunder and failure to cure such default within any grace periods provided in the Notes, Beneficiary shall have 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 proceedings all costs and expenses incident thereto, including a reasonable attorney's fee in such amount as shall be fixed by the court.

18. Beneficiary may appoint a successor trustee at any time by complying with the statutory requirements. The new trustee shall succeed to all the powers, duties, authority and title of the trustee named herein or of any successor trustee.

19. Trustor agrees to pay to Beneficiary or Trustee the costs and expenses, including a reasonable attorney's fee, incurred by either of them in instituting, prosecuting or defending any court action in which Trustor does not prevail, if such action involves the interpretation hereof or performance hereunder by a party hereto or the breach of any provision hereby by a party hereto, including but not limited to an action to obtain possession of the above described Property after exercise of the power of sale granted hereunder. Whenever, in this Trust Deed, Trustor agrees to pay costs, expenses and/or attorney's fees, such costs, expenses and fees shall include, without limitation: all such items incurred in connection with any insolvency, bankruptcy, reorganization, arrangement or similar proceeding affecting the exercise of any rights or remedies hereunder or under any instrument or agreement secured hereby; and all such items incurred on appeal; and all such items incurred in defending any action or counterclaim brought by Trustor relating to this Trust Deed or any instrument or agreement secured by the Notes secured hereby in which Trustor does not prevail.

20. 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. If Trustor consists of more than one person, all obligations of Trustor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including any pledge, of the Notes. In this Trust Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

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

22. Trustor requests that one copy of any notice of default and of any notice of sale required hereunder or by applicable law be mailed to it (collectively) at the address hereinbefore set forth, and notice of any change of Trustor's address shall only be effective if given by Trustor to both the Trustee and to the Beneficiary by certified mail, return receipt requested.

23. All agreements between Trustor and Beneficiary are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of deferment in accordance with the terms of the Notes or any agreement or advancement of the loan proceeds, acceleration of maturity of the loan, or otherwise, shall the amount paid or agreed to be paid to the holder of the

Notes for the loan, use, forbearance or detention of the money to be loaned under said Notes exceed the maximum permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision in the Notes or in this Trust Deed or any other agreement between the parties, at the time performance of such provisions shall be due, shall involve transcending the limit of validity prescribed by law, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity. This provision shall never be superseded or waived and shall control every other provision of all agreements between the parties hereto.

24. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

25. Trustor agrees that during the existence of the lien of this Trust Deed, Trustor will maintain said Property in compliance with all governmental laws and regulations, including, but not limited to all laws and regulations relating to environmental protection or Hazardous Material and will indemnify and hold Beneficiary harmless from any failure to so comply. "Hazardous Material" is used herein in its broadest sense and shall mean any petroleum base products, pesticides, paints and solvents, polychlorinated biphenyl, lead, cyanide, DDT, acids, ammonium compounds and other chemical products and any substances or materials defined or designated as a hazardous or toxic substance, or other similar term, by any federal, state or local environmental statute, regulation or ordinance affecting the property presently in effect or that may be promulgated in the future, as such statutes, regulations and ordinances may be amended from time to time, including, but not limited to the statutes listed below:

1. Resources Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq.
2. Comprehensive Environmental Response, Compensation and Liability Act of 1980, 40 U.S.C. Section 1801 et seq.
3. Clean Air Act, 42 U.S.C. Sections 7401-7626.
4. Water Pollution Control Act (Clean Water Act of 1977), 33 U.S.C. Section 1251 et seq.

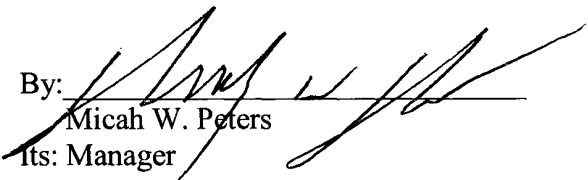
Trustor will provide to Beneficiary copies of all notices it gives to or receives from governmental agencies with respect to Hazardous Material. Beneficiary may, at any time, at its expense conduct an environmental audit of the Property.

[SIGNATURE PAGE FOLLOWS]

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

TRUSTOR:

CLEARWATER HOMES, LLC

By:   
Micah W. Peters  
Its: Manager

STATE OF Utah                    )  
  : ss  
COUNTY OF Salt Lake        )

The foregoing Deed of Trust was acknowledged before me this 12<sup>th</sup> day of March, 2019, by Micah W. Peters, Manager of Clearwater Homes, LLC, a Utah limited liability company..

My commission expires: 9/17/22

  
\_\_\_\_\_  
Notary Public





**EXHIBIT A**

**Legal Description of the Property**

The real property more particularly described as follows:

COM 4 RDS N FR SW CORNER LOT 3 BLK 2 PLAT B SLC SUR N 6 RDS E 13 1/3 RDS 5 6  
RDS W 13 1/3 RDS TO BEG

Parcel No. 160-817-6015-0000.