

When Recorded, Mail To:
William A. Meaders, Jr.
Kirton & McConkie
60 E. South Temple St., Suite 1800
Salt Lake City, UT 84111

Tax Parcel No. 09-308-0011
(For Reference Purposes Only)

ASSIGNMENT OF RENTS AND LEASES

D-46735

THIS ASSIGNMENT OF RENTS AND LEASES (this "Assignment") is made this ^{*4th*} day of October, 2011, by and between Exiom Properties L.L.C., a Utah limited liability company, whose address is 2710 North 350 West #105, Layton, Utah 84041 ("Borrower") to The Baltimore Life Insurance Company, a Maryland corporation, with offices at 10075 Red Run Boulevard, Owings Mills, Maryland 21117-4871 ("Lender").

BACKGROUND

A. Borrower is indebted to Lender in the principal sum of One Million Three Hundred Thousand Dollars (\$1,300,000.00), with interest thereon (the "Loan"), pursuant to a certain Promissory Note of even date herewith (the "Note") made payable to the order of Lender. The Note is secured by a Deed of Trust and Security Agreement (the "Deed of Trust") of even date herewith from Borrower to Lender encumbering certain real property situated in Davis County, State of Utah, as more fully described in Exhibit A attached hereto and hereby made a part hereof (the "Mortgaged Premises"). The Deed of Trust is about to be recorded in Davis County, Utah. The Note, Deed of Trust and other documents are hereinafter sometimes collectively referred to as the "Loan Documents". Capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Loan Documents.

B. As a condition of making the Loan to Borrower, Lender has required Borrower to execute and deliver this Assignment.

TERMS AND CONDITIONS

1. Assignment. In consideration of the Loan and Lender's undertakings pursuant thereto, and in order to secure the payment of all sums due to Lender or any other sums required to be paid to parties other than Lender pursuant to the Note and the Deed of Trust, and the timely performance of all of the terms, covenants, representations, warranties and conditions contained in the Loan Documents, Borrower hereby presently and unconditionally grants, conveys, transfers and assigns to Lender, its successors and assigns, all of Borrower's rights, title, interest and privilege in, under, and to the following:

1.1. All leases, subleases, licenses and agreements to let or use, whether oral or written, now or hereafter in existence with respect to the Mortgaged Premises or any part thereof (collectively, the "Leases"), including without limitation the leases described on Exhibit B attached hereto; and

1.2. All rents (whether denoted as minimum rent, percentage rent, additional rent or otherwise), issues, income, profits, revenues, proceeds, deposits (whether security or otherwise), termination fees, buy-out fees and any other fees made or to be made by any tenant in lieu of rent, any award made hereafter to Borrower in any court proceeding involving any of the tenants under any of the Leases in any bankruptcy, insolvency or reorganization proceedings in any state or federal court, and all other rights and benefits due or to become due under the Leases (collectively, the "Rents").

2. Performance by Borrower.

2.1. Notwithstanding this Assignment, Borrower shall remain fully and solely liable for all obligations and covenants undertaken by it pursuant to any Lease or imposed upon Borrower as landlord. Lender may elect, in its sole discretion, to assume any and all such obligations of Borrower under any Lease by written notice to the tenant under such Lease with a copy to Borrower; provided, however, that Borrower shall remain liable for such obligations notwithstanding such election by Lender.

2.2. Notwithstanding any legal presumption to the contrary, Lender shall not be obligated by reason of acceptance of this Assignment to perform any obligation or covenant of Borrower under the Leases. This Assignment shall not place responsibility for the collection of Rents, or for the control, care, management, upkeep, operation or repair of all or any part of the Mortgaged Premises upon Lender, or make Lender liable or responsible for any negligence in the collection of Rents, or in the control, care, management, upkeep, operation or repair of all or any part of the Mortgaged Premises resulting in loss or injury or death to any tenant, licensee, employee or other person or for any loss of or damage to the property of any of the foregoing.

2.3. Borrower hereby agrees to defend, indemnify and hold harmless Lender from any and all claims, liability, loss or damage, costs and expenses (including attorneys' fees) which Lender may incur under the Leases or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligation or undertaking on Lender's part to perform or discharge any of the terms of any Lease except for actions arising solely by reason of Lender's gross negligence.

2.4. Borrower agrees that it will (1) faithfully observe, discharge and perform all of the obligations and agreements imposed upon Borrower under the Leases; (2) give to Lender prompt notice of the receipt of any notice received by Borrower of a default under any Lease by Borrower or any tenant, together with a copy of such default notice; (3) enforce the performance or observance of every covenant and condition to be performed or observed by any tenant under any Lease; (4) not terminate any Lease or accept a surrender thereof without the prior written consent of Lender; (5) at Borrower's expense appear in and defend any action growing out of or in any manner connected with any Lease or the obligations or liabilities of Borrower or the landlord or any tenant or guarantor thereunder; and (6) deliver to Lender, upon written demand, a statement specifying the Rents derived or received from the Leases for the period specified in such demand, the disbursements made by Borrower for such period and the names of all tenants of the Mortgaged Premises, together with true and correct copies of all Leases that have not been delivered to Lender previously for which Rent is so accounted. In addition, Borrower shall not do any of the following without the prior written consent of Lender: (a) consent to any cancellation, surrender, or assignment of any of the Leases; (b) consent to any

any modification or alteration of any of the Leases in a manner which reduces the rent thereunder or materially affects the interests of the lessor or landlord thereunder in an adverse way; (c) reduce, waive or defer payment of the Rent under any of the Leases; (d) collect or accept payment of any of the Rents arising or accruing under any Lease more than one month in advance of the time when the same shall become due under the terms of such Lease; or (e) waive or release any tenant from any obligation or condition under any of the Leases.

2.5. Borrower agrees not to enter into any new leases of all or any part of the Mortgaged Premises without the prior written consent of Lender.

2.6. This Assignment shall take effect immediately. Lender hereby grants to Borrower a revocable license to collect Rents due to Borrower under the Leases and to retain, use and enjoy the same; provided, however, that such license shall, at Lender's option, terminate with or without notice to Borrower immediately upon or, at Lender's option, at any time after the occurrence of an Event of Default hereunder. Any Rents or any such other amounts collected by Borrower after the delivery of a notice by Lender to the effect that Lender is exercising its option hereunder shall be deemed Lender's property pursuant to this Assignment, shall be paid to Lender on demand, and Borrower shall be obligated to account for such funds to Lender whether or not Lender gives the notice to any tenants provided for in Section 5 hereof.

3. Warranties. Borrower represents and warrants as follows:

3.1. The Leases shall be subordinate in estate, lien, operation and effect to this Assignment, the Note, the Deed of Trust and all of the other Loan Documents; subject, however, to the right of Lender, at its option, to subordinate the Loan to any or all of the Leases by written instrument signed by Lender.

3.2. Borrower has title to and full right to assign the Leases and the Rents thereunder; and no other assignment of any interest in any of the Rents or Leases has been made (except to Lender).

3.3. There are no leases or agreements to lease all or any part of the Mortgaged Premises now in effect except those identified in the rent roll certified to Lender as of the date hereof. All Leases are in full force and effect.

3.4. There is no existing default by Borrower or tenant under the provisions of any of the Leases. No event has 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.

3.5. All unpaid leasing commissions arising out of or in connection with any of the Leases are unconditionally subordinated to Lender's position under the Loan Documents.

4. Events of Default. The occurrence of any one or more of the following events shall constitute an event of default (an "Event of Default") hereunder:

4.1. A breach, default or violation of any of the terms, covenants, conditions, representations or provisions contained herein;

4.2. A breach, default or violation by Borrower under the terms of the Leases;
or

4.3. A breach, default or violation of any of the terms, conditions, covenants, representations or provisions contained in any of the Loan Documents, which breach, default or violation is not cured within the applicable cure period, if any, provided in the Loan Documents.

5. Remedies. Upon the occurrence of an Event of Default, the license granted to the Borrower under Section 2.5 shall terminate without notice to Borrower and in addition to all other remedies available to Lender, Lender shall be entitled to exercise any one or more of the following rights, powers and remedies, without regard to the adequacy of the security for the sums secured hereby and with or without bringing any action or proceeding:

5.1. Enter and take possession of the Mortgaged Premises.

5.2. Collect, in Lender's name or in the name of Borrower or in the name of Lender and Borrower, the 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. Borrower hereby authorizes Lender to give written notice of this Assignment at any time before or after an Event of Default to each tenant of all or any part of the Mortgaged Premises. Borrower hereby authorizes and directs all tenants to pay Rent directly to Lender upon receipt from Lender of a statement that an Event of Default has occurred accompanied by a demand for such payment, without any further proof of Borrower's default. Borrower agrees: (1) that the tenants shall have the right to rely upon any such statement and demand by Lender, (2) that the tenants shall pay the Rents to Lender without any obligation or right to inquire as to whether such default actually exists and notwithstanding any notice from or claim by Borrower to the contrary, (3) that Borrower shall have no right or claim against the tenants for such Rent payments so made, and (4) that until the receipt of written instructions by Lender to the contrary, all tenants shall pay the Rents to Lender. Upon delivery of such notice, enforcement of each tenant's covenants and the exercise of Borrower's rights and remedies under the Leases shall be under the direction and control of Lender, which may exercise such rights and remedies in Lender's name as assignee hereunder, and Borrower shall facilitate in all reasonable ways Lender's collection of the Rents and cooperate as Lender shall request, and Borrower shall, upon the request of Lender, execute and deliver a written notice to each tenant under the Leases directing such tenants to pay the Rents to Lender. Lender shall incur no liability to Borrower on account of a failure or an alleged failure to collect Rent or other sums due under the Leases or to enforce tenant's covenants or Borrower's rights and remedies thereunder.

5.3. Take over and assume the management, operation and maintenance of the Mortgaged Premises and perform in Lender's name or in the name of Borrower or in the name of Lender and Borrower, all acts necessary and proper, and expend such sums out of the income of the Mortgaged Premises as may be necessary in connection therewith, including the right to enter into and enforce new Leases, to enforce or cancel existing Leases, to alter or amend the terms of existing Leases, to renew existing Leases or to make concessions to the parties thereto.

5.4. Endorse, as Borrower's attorney-in-fact, Borrower's name on all checks, drafts and similar forms of payment received in payment of the Rents. The aforesaid power of attorney, being for security, shall be deemed coupled with an interest and shall be irrevocable.

5.5. Exercise any and all rights and remedies available to a secured party under the Uniform Commercial Code and any and all other rights and remedies now or hereafter available at law or in equity.

6. Application of Rents.

6.1. Any amounts received or collected by Lender, its successors or assigns, by virtue of this Assignment shall be applied for the following purposes, but not necessarily in the order named, the priority and application of such funds being within the sole discretion of Lender:

6.1.1. To the payment of all necessary expenses for the operation, protection and preservation of the Mortgaged Premises, and the usual and customary fees for management services and attorneys' fees incurred by Lender in obtaining advice in connection with any default which gave rise to the implementation of this Assignment;

6.1.2. To the payment of taxes and assessments levied and assessed against the Mortgaged Premises described herein as said taxes and assessments become due and payable;

6.1.3 To the payment of premiums due and payable on any insurance policy relating to the Mortgaged Premises; and

6.1.4 To the payment of installments of late charges, interest or interest and principal and any other sums due and payable hereunder and under the Note and the other Loan Documents.

7. No Waiver.

7.1. The acceptance of this Assignment, the entering upon and taking possession of the Mortgaged Premises, and the collection of Rents under the Leases assigned hereby shall not constitute a waiver of any rights of Lender under the terms of the Loan Documents. All rights and remedies of Lender hereunder and under the Loan Documents are cumulative and concurrent and may be exercised singly, successively or concurrently, at the sole discretion of Lender.

7.2. The receipt by Lender of any Rents pursuant to this Assignment before or after the institution of foreclosure or sale proceedings under the Deed of Trust shall not cure such default or affect such proceedings or any sale pursuant thereto.

8. List of Leases. Borrower shall, upon the request of Lender, furnish a complete list, as of the date of such request, of all Leases and provide such further reasonable detail as may be requested by Lender. Further, as requested by Lender, Borrower shall deliver to Lender executed or certified copies of all Leases, and all correspondence and memoranda relating thereto. Such requests may be made at any reasonable time. Monthly requests, or more frequent requests if made after an Event of Default under this Assignment, shall be deemed to be reasonable.

9. Further Assignments. Borrower shall immediately, upon request of Lender, execute, acknowledge and deliver specific separate assignments of any Leases.

10. Termination of Assignment. The repayment in full of the Note and the full performance of the obligations under the Loan Documents shall render this Assignment automatically void with respect to the Mortgaged Premises.

11. No Mortgagee in Possession. Nothing herein contained and no actions taken pursuant to this Assignment shall be construed as constituting Assignee a “mortgagee in possession”.

12. Construction. When the content so requires, the singular shall include the plural and conversely and use of any gender shall include all genders.

13. Notices. All notices and other communications required under this Assignment shall be in writing and shall be hand delivered or sent by registered or certified mail, postage prepaid, addressed to the parties and sent to the addresses set forth in the heading of this Assignment, or to such other address as either party may designate from time to time by notice to the other in the manner set forth herein.

14. Exclusive Jurisdiction. Borrower hereby consents to the exclusive jurisdiction of the Courts of the State of Utah, and the United States District Court for the District of Utah in any and all actions or proceedings arising hereunder or pursuant hereto, and irrevocably agrees to service of process by registered or certified mail, return receipt requested, to its address set forth herein or such other address as Borrower may direct by notice to Lender. Borrower irrevocably as an independent covenant waives a jury trial and the right hereto in any action or proceeding between Borrower and Lender whether hereunder or otherwise.

15. Headings. The headings preceding the text of the paragraphs of this Assignment are inserted only for convenience of reference and shall not constitute a part of this Assignment, nor shall they in any way affect its meaning, construction or effect.

16. Governing Law. This Assignment shall be governed by the law of the State of Utah.

17. Binding Obligation. This Assignment shall be binding upon Borrower’s successors in title or interest and Borrower’s heirs, executors, administrators, successors and assigns and each of such persons shall be deemed to have made the representations and warranties set forth herein. This Assignment shall inure to the benefit of Lender and its successors and assigns, including any assignee of the Loan Documents or participant in the Loan.

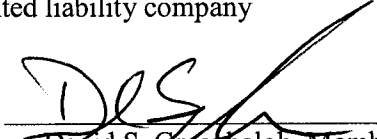
18. Modification. This Assignment may not be modified except by a written agreement consented to in writing by Lender.

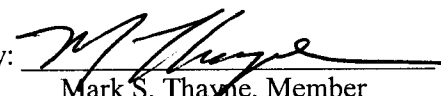
IN WITNESS WHEREOF, Borrower has caused this Assignment to be duly executed the day and year first above mentioned.

Attest/Witness

EXIOM PROPERTIES L.L.C., a Utah limited liability company


Name: JIM C. MORRIS

By: 
David S. Greenhalgh, Member

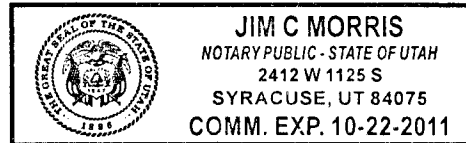
By: 
Mark S. Thayne, Member

STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

The foregoing Assignment of Rents and Leases was personally acknowledged before me this 4th day of September, 2011, by David S. Greenhalgh, a Member of Exiom Properties L.L.C., a Utah limited liability company.


Notary Public

My commission expires:
10-22-11



STATE OF UTAH)
 : ss
COUNTY OF SALT LAKE)

The foregoing Deed of Trust and Security Agreement was personally acknowledged before me this 4th day of October, 2011, by Mark S. Thayne, a Member of Exiom Properties L.L.C., a Utah limited liability company.


Notary Public

My commission expires:
10-22-11

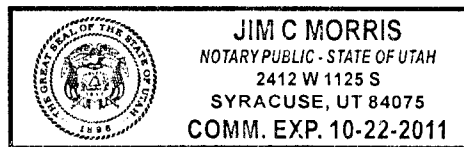


EXHIBIT "A"

Mortgaged Premises

BEGINNING AT A POINT ON THE NORTH LINE OF WINDSOR SQUARE SUBDIVISION, WHICH POINT IS NORTH 0°03'30" EAST 1312.19 FEET AND NORTH 89°47'48" WEST 850.78 FEET FROM THE EAST QUARTER CORNER OF SECTION 8, TOWNSHIP 4 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE SOUTH 11°27'08" EAST 320.59 FEET ALONG THE CENTER OF A NATURAL GAS EASEMENT TO THE NORTH RIGHT OF WAY OF WINDSOR DRIVE AND RUNNING THENCE SOUTH 89°58'00" WEST 198.76 FEET TO THE START OF A 10.5 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 16.49 FEET, (CENTRAL ANGLE=90°00'00" CHORD BEARING AND DISTANCE=NORTH 45°02'00" WEST 14.85 FEET); THENCE NORTH 0°02'00" WEST 103.06 FEET ALONG THE EAST RIGHT OF WAY OF WINDSOR CIRCLE TO THE START OF 20 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 15.50 FEET, (CENTRAL ANGLE=44°24'55" CHORD BEARING AND DISTANCE=NORTH 22°10'28" EAST 15.12 FEET) TO A POINT OF REVERSE CURVATURE ON A 50 FOOT RADIUS CURVE TO THE LEFT; THENCE ALONG THE ARC OF A SAID CURVE 117.30 FEET (CENTRAL ANGLE=134°24'55" CHORD BEARING AND DISTANCE=NORTH 22°49'32" WEST 92.19 FEET); THENCE LEAVING THE ROAD RIGHT OF WAY NORTH 0°13'11" EAST 102.42 FEET TO THE NORTH BOUNDARY OF SAID SUBDIVISION; THENCE SOUTH 89°47'48" EAST 175.34 FEET ALONG SAID BOUNDARY TO THE POINT OF BEGINNING.

The following is shown for informational purposes only: Tax Parcel No.: 09-308-0011

EXHIBIT "B"

Rent Roll

**Lease Schedule
Exiom Properties Buildings**

Tenant	Area	Current Expiration	Current Ann. Rent	Expense	Total Rent
Chords of Joy, Inc.	1,800	08/31/13	\$22,915	\$2,160	\$25,075
Pinnacle Engineering	900	07/31/12	\$10,821	\$0	\$10,821
Choice Foods	6,000	02/20/15	\$62,940	\$7,200	\$70,140
M&M Commercial	7,732	05/31/13	\$64,680	\$9,278	\$73,958
Applied Industrial	<u>2,616</u>	03/31/15	<u>\$22,624</u>	<u>\$3,139</u>	<u>\$25,763</u>
Total	19,048		\$183,980	\$21,777	\$205,757

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