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RASHELLE HOBBS
Recorder, Salt Lake County, UT
INWEST TITLE SRVS SLC
BY: eCASH, DEPUTY - EF 37 P.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

LOEB & LOEB LLP
345 Park Avenue
New York, New York 10154
Attention: Jeffrey S. Fried, Esq.

(Space Above For Recorder's Use)

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

from

BROWNSTONE PAULINE, LLC
a Utah limited liability company

("Trustor")

to

INWEST TITLE SERVICES, INC.
a Utah corporation

("Trustee")

FOR THE BENEFIT OF

MORGAN STANLEY PRIVATE BANK, NATIONAL ASSOCIATION
a national banking association

("Beneficiary")

Principal Amount Secured: \$4,750,000.00, plus other sums described in Section 1

Dated: January 31, 2019

Premises: 278 East 100 South & 120, 130, 136 South 300 East, Salt Lake City, Utah 84111

Tax Parcel Nos: 16-06-129-016, 16-06-129-014, 16-06-129-017 and 16-06-129-015

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

THIS DEED OF TRUST SECURES A VARIABLE RATE PROMISSORY NOTE WHICH BEARS INTEREST AT RATES WHICH VARY AS MORE PARTICULARLY SET FORTH IN THE PROMISSORY NOTE AND LOAN AGREEMENT.

THIS DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (this "**Deed of Trust**") made the 31st day of January, 2019, between BROWNSTONE PAULINE, LLC, a Utah limited liability company ("**Trustor**"), having its principal business office at 3135 South Richmond Street, Salt Lake City, Utah 84106, to INWEST TITLE SERVICES, INC., a Utah corporation, having an office at 2037 West Commerce Way, West Haven, Utah 84401 ("**Trustee**") for the benefit of MORGAN STANLEY PRIVATE BANK, NATIONAL ASSOCIATION, a national banking association, having an address at 2000 Westchester Avenue, Floor 2NE, Purchase, New York 10577 ("**Beneficiary**").

WITNESSETH

A. Pursuant to a certain Term Loan Agreement (Secured by Real Property) dated of even date herewith between Trustor and Beneficiary (as the same may be supplemented, restated, superseded, amended or replaced from time to time, the "**Loan Agreement**"), Trustor has executed and delivered to Beneficiary a certain Term Loan Promissory Note of even date herewith in the original principal amount of Four Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$4,750,000.00) (as the same may be supplemented, restated, superseded, amended or replaced from time to time, the "**Note**").

B. Trustor is the record owner of (i) all of that certain real estate situated in the City and County of Salt Lake, State of Utah, more particularly described in **Exhibit A** attached hereto and made a part hereof (the "**Land**"); and (ii) title to the Improvements (as hereinafter defined) located thereon.

C. Trustor desires to secure the payment and performance of the Obligations (as defined below), by among other things, entering into this Deed of Trust.

D. Capitalized terms used without further definition herein shall have the meaning set forth in the Loan Agreement.

NOW, THEREFORE, in consideration of the financing arrangements established under the Loan Agreement, and as security for:

- (1) payment to Beneficiary of all Obligations;
- (2) payment to Beneficiary of all future or additional advances which may be made by Beneficiary to or for the account of Trustor, together with interest on such advances (including, without limitation, all sums which Beneficiary may advance under this Deed of Trust or the other Loan Documents (as defined in the Loan Agreement) with respect to any Deed of Trust Property (as defined below) to pay for taxes, assessments, maintenance charges, insurance

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premiums or costs incurred for the protection of the Deed of Trust Property or the lien of this Deed of Trust, and expenses incurred by Beneficiary by reason of default by Trustor under this Deed of Trust or any of the other Loan Documents); and

- (3) performance of the undertakings and covenants contained in the Loan Documents.

GRANTING CLAUSES

Trustor, in consideration of the premises, the indebtedness evidenced by the Note, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged (a) has mortgaged, warranted, granted, bargained, sold, alienated, released, confirmed, conveyed, pledged and assigned, and (b) by these presents does hereby irrevocably grant and create a first priority lien on and security interest in, subject to those permitted encumbrances included in a lender's title policy approved by Beneficiary and the provisions hereof and of the other Loan Documents, and does hereby irrevocably MORTGAGE, GRANT A SECURITY INTEREST IN, PLEDGE, TRANSFER, CONVEY AND ASSIGN unto Trustee and its successors and assigns forever in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all of Trustor's estate, right, title and interest now owned or hereafter acquired in, to and under any and all of the property (collectively, the "Deed of Trust Property") described in the following Granting Clauses:

- (1) The Land, together with all easements, appurtenances and other rights and privileges now or hereafter belonging or appertaining thereto;

- (2) All buildings and improvements now or hereafter located upon the Land (the "Improvements");

- (3) All present and future leases, subleases, subsubleases, licenses and other occupancy agreements (whether written or oral) covering all or any portion of the Land, and every modification, amendment or other agreement relating to such leases, subleases, subsubleases, licenses and other occupancy agreements (which, together with Trustor's interest as landlord thereunder, are herein collectively referred to herein as the "Leases");

- (4) All rents, issues and profits payable under the Leases and under any future renewals, extensions, amendments or modifications thereof;

- (5) All fixtures, appliances, machinery, equipment, furnishings and furniture of any nature whatsoever, and other articles of personal property now or hereafter owned by Trustor and (i) which now or at any time hereafter are installed in, attached to or located in or upon the Land; (ii) used or intended to be used in connection with the Land or the Improvements, or in the operation or maintenance of any Deed of Trust Property (including, without limitation, communications, computer and security systems and the software system therefor); or (iii) the plant or business located thereon, whether or not the personal property is or shall be affixed thereto, expressly including, but without limiting the generality of the foregoing, all articles of personal property listed on Exhibit B attached hereto and made a part hereof;

- (6) All building materials, fixtures, building machinery and building equipment owned by Trustor and delivered on site to the Land or the Improvements during the course of, or

in connection with, the construction of, or reconstruction of, or remodeling of any Improvements from time to time during the term hereof;

(7) Any and all tenements, hereditaments and appurtenances now or in the future benefitting or otherwise relating to the Land or the Improvements or any part thereof, or in any way appertaining thereto, and all streets, alleys, passages, ways, and all leasehold estates, easements and covenants now existing or hereafter created for the benefit of Trustor or any subsequent owner or tenant of the Land or the Improvements over ground adjoining the Land and all rights to enforce the maintenance thereof, rights-of-way, development rights, mineral rights, water and water rights, pumps and pumping plants, water shares, ditches and canals, weirs, pipelines, wells and wellheads, and all tenements, hereditaments, and appurtenances thereunto belonging or in any way appertaining to the same or to the diversion, delivery, or use of water, of whatever nature or description, whether now owned or hereafter acquired by Trustor, and including all rights of ingress and egress to and from the Land and all adjoining property related thereto and all shares of stock evidencing the same and all other rights, liberties and privileges of whatsoever kind or character, together with any after-acquired property interest in the Land which Trustor may at any time hereafter have or acquire, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law or in equity, of Trustor in and to the Land or any part thereof;

(8) To the extent assignable, all management agreements, service contracts, license agreements, concession agreements, written or oral, relating to the use and occupancy of the Land now or hereafter existing and the reversions and remainders, income, rents, issues and profits arising therefrom and all deposits (including, without limitation, tenant security deposits) thereunder, and all rights and benefits now or hereafter accruing to Trustor under any and all guarantees of the obligations of any tenant, licensee, concessionaire or other occupant thereunder, as any of the foregoing may be amended, extended, renewed or modified from time to time;

(9) All reciprocal easement agreements, operating agreements, and similar agreements however labeled or denominated affecting the Land;

(10) All accounts, chattel paper, instruments and other documents of title, deposit accounts, general intangibles, payment intangibles, contract rights, choses in action, causes of action, intangible property, intellectual property (including, any good will and royalties associated therewith), licenses, tax refunds and return claims, books and records, investment property and all other rights and obligations of any kind, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services and all rights now or hereafter existing in and to all security agreements, leases and other contracts securing or otherwise relating to any of the foregoing;

(11) All other documentation belonging to or in Trustor's possession now or hereafter existing in connection with the use or operation of the Land including, without limitation, any plans and specifications pertaining to the Improvements, all appraisals, engineering, environmental, soils, marketing and other reports and studies relating to the Land or the Improvements, all permits, licenses, and contract rights, warranties, guarantees, tenant lists,

correspondence with present or prospective tenants or suppliers, advertising materials, and telephone exchange numbers as identified in such advertising materials; and

(12) All products, proceeds, substitutions, accessions and replacements, of any of the foregoing into cash or liquidated claims, including without limitation, proceeds of insurance and condemnation awards.

TO HAVE AND TO HOLD the Deed of Trust Property hereby conveyed or mentioned and intended so to be, unto Beneficiary, to its own use forever.

PROVIDED ALWAYS, this instrument is made upon the express condition that, upon payment in full of all Obligations, then this Deed of Trust and the estate hereby granted shall, at the request and at the expense of Trustor, be terminated.

TRUSTOR REPRESENTS, COVENANTS AND WARRANTIES to and with Trustee and Beneficiary that until the Obligations are indefeasibly paid in full:

1. Maximum Principal Amount Secured. Notwithstanding anything to the contrary contained in this Deed of Trust, the maximum amount of principal indebtedness secured by this Deed of Trust, or which under any contingency may be secured by this Deed of Trust, is \$4,750,000.00, plus amounts that Beneficiary expends after a default under this Deed of Trust to the extent that any such amounts shall constitute payment of (i) taxes, charges or assessments that may be imposed by law upon the Deed of Trust Property; (ii) premiums on insurance policies covering the Deed of Trust Property or any portion thereof; (iii) expenses incurred in upholding the lien of this Deed of Trust, including, without limitation, the expenses of any litigation to prosecute or defend the rights and lien created by this Deed of Trust; (iv) any amount, cost or charge to which Beneficiary becomes subrogated, upon payment, whether under recognized principles of law or equity, or under express statutory authority, and (v) any other amount advanced by Beneficiary and permitted by law to be secured as an additional or protective advance; then, and in each such event, such amounts or costs, together with interest thereon, shall be added to the Obligations and shall be secured by this Deed of Trust.

2. Payment and Performance. Trustor shall pay to Beneficiary all of Trustor's obligations to repay the Term Loan, together with all interest thereon, as well as all other costs and expenses for which Trustor may be obligated to pay under the Note, the Loan Agreement and the other Loan Documents, excluding the Guaranty and the ADA and Environmental Indemnity (collectively, the "**Obligations**"), in each case in accordance with the terms of the Loan Documents (excluding the Guaranty and the ADA and Environmental Indemnity). Notwithstanding anything to the contrary contained herein or in the other Loan Documents, the Guaranty and the ADA and Environmental Indemnity (as such terms are defined in the Loan Agreement) are not secured by this Deed of Trust. Trustor shall perform and comply with all of the agreements, conditions, covenants, provisions and stipulations of this Deed of Trust and the other Loan Documents to which it is a party. Trustor shall timely perform all of its obligations and duties as landlord under any Leases of any portion of the Deed of Trust Property now or hereafter in effect.

3. Warranty of Title. Trustor warrants to Beneficiary that Trustor possesses good and marketable, unencumbered fee simple title to the Deed of Trust Property and every part thereof, except for those title exceptions listed in Beneficiary's title insurance policy approved by and issued to Beneficiary insuring the priority of the lien of this Deed of Trust. Trustor shall reimburse Beneficiary for any losses, costs, damages and expenses (including, without limitation, reasonable attorneys' fees and court costs) incurred by Beneficiary if an interest in the Land or the Deed of Trust Property, other than as permitted hereunder, is claimed by another Person.

4. Maintenance of Deed of Trust Property. Trustor shall keep and maintain the Deed of Trust Property and the abutting sidewalks and curbs in good order and condition (ordinary wear and tear excepted) in compliance with all applicable laws and in a rentable and tenantable state of repair, and will make, as and when necessary, all repairs, renewals and replacements, structural and nonstructural, exterior and interior, ordinary and extraordinary, foreseen and unforeseen. Trustor shall abstain from and shall not permit the commission of waste in or about the Deed of Trust Property, shall not, other than in the ordinary course of business and as permitted under the Loan Agreement, remove or demolish any portion of the Improvements, or any machinery, equipment or other personal property located thereon or alter the structural character or exterior appearance of any Improvements, without the prior written consent of Beneficiary in each instance. Trustor shall not permit the Deed of Trust Property to become deserted or abandoned. Trustor shall operate the Deed of Trust Property as it is currently being operated, and Trustor shall not change the use of the Deed of Trust Property from its current use without first obtaining the prior written consent of Beneficiary.

5. Insurance.

(a) Trustor shall provide and maintain insurance coverage in accordance with the terms of the Loan Agreement.

(b) Trustor has obtained and has delivered to Beneficiary certified copies or originals of all insurance policies required under the Loan Agreement, reflecting the insurance coverages, amounts and other requirements set forth in the Loan Agreement. Trustor has not, and to the best of Trustor's knowledge no Person has, done by act or omission anything which would impair the coverage of any such insurance policy.

(c) If the insurance, or any part thereof, shall expire, or be canceled, or become void or voidable by reason of Trustor's breach of any condition thereof, or if Beneficiary determines that such coverage is unsatisfactory by reason of the failure or impairment of the capital of any company in which the insurance may then be carried or the lowering of such insurance carrier's rating from its rating on the date hereof, or if for any reason whatever the insurance shall, in Beneficiary's reasonable discretion, be unsatisfactory to Beneficiary, Trustor shall place new insurance on the Deed of Trust Property, reasonably satisfactory to Beneficiary in its sole discretion.

(d) Such policies of insurance and all renewals thereof are hereby assigned to Beneficiary as additional security for payment of the Obligations and Trustor hereby agrees that after an Event of Default any values available thereunder upon cancellation or termination of any

of said policies or renewals, whether in the form of return of premiums or otherwise, shall be payable to Beneficiary as assignee thereof. If Beneficiary becomes the owner of the Deed of Trust Property or any part thereof by foreclosure or otherwise, such policies, including, without limitation, all right, title and interest of Trustor thereunder, shall become the absolute property of Beneficiary.

(e) Beneficiary shall retain and apply the proceeds of any such insurance to reduction of the Obligations, or to restoration or repair of the property damaged, in accordance with the terms of the Loan Agreement. Beneficiary's application of insurance proceeds to reduction of the Obligations shall not excuse or modify Trustor's obligation to continue to pay the installments of interest and principal required under the Note unless the amount of such insurance proceeds received by Beneficiary is sufficient to repay in full all of the Obligations.

(f) All negotiations, proceedings and settlements to adjust, compromise or settle any loss covered by insurance shall be as set forth in accordance with the terms of the Loan Agreement. All insurance proceeds shall be applied to the Work (as defined in the Loan Agreement) or to the payment of the Term Loan in each case in accordance with the terms of the Loan Agreement.

6. Taxes and Other Charges.

(a) Trustor shall pay, prior to the time interest, penalties or additions are due thereon, without any deduction, defalcation or abatement, all real estate taxes, charges, municipal assessments and liens, water and sewer rents, and other governmental levies and all other charges or claims of every nature and kind which may be assessed, levied, imposed, suffered, placed or filed at any time against Trustor, the Deed of Trust Property or any part thereof or against the interest of Beneficiary therein, or which by any present or future law may have priority over the indebtedness secured hereby either in lien or in distribution out of the proceeds of any judicial or other sale (collectively "**Taxes**"); and upon request by Beneficiary, Trustor shall produce to Beneficiary, official receipts for the payment of Taxes; provided, however, that if, pursuant to this Deed of Trust, Trustor shall have deposited with Beneficiary before the due date thereof sums sufficient to pay any Taxes, and Trustor is not otherwise in default under the Loan Documents, the Taxes shall be paid by Beneficiary. Trustor will not apply for or claim any deduction, by reason of this Deed of Trust, from the taxable value of all or any part of the Deed of Trust Property. No credit shall be claimed or allowed on the interest payable on the Note because of any Taxes paid.

(b) If requested by Beneficiary, Trustor shall procure for Beneficiary, at Trustor's expense, a real estate tax reporting service throughout the term of this Deed of Trust, and if Trustor fails to do so, Beneficiary may obtain such service directly and Trustor shall, upon demand, reimburse Beneficiary for the cost of such service.

7. Installments for Taxes and Other Charges. Without limiting the effect of Sections 5 and 6, as applicable, during the continuance of an Event of Default, upon Beneficiary's request, Trustor shall pay to Beneficiary, monthly, with the monthly installments of interest or principal and interest, an amount equal to one-twelfth (1/12) of the annual Taxes ("**Escrow Items**"). On demand by Beneficiary from time to time, Trustor shall pay to

Beneficiary any additional sums necessary to pay the Escrow Items, all as estimated by Beneficiary. The amounts paid by Trustor shall be security for the Escrow Items and shall be used in payment thereof if Trustor is not otherwise in default under the Loan Documents. No amount so paid shall be deemed to be trust funds but may be commingled with general funds of Beneficiary, and no interest shall be payable thereon. If, pursuant to the Loan Documents, the Obligations become due and payable, Beneficiary shall have the right, at its election, to apply any amount of Escrow Items held by Beneficiary against the Obligations. At Beneficiary's option, Beneficiary from time to time may waive, and after any such waiver may reinstate, the provisions of this Section requiring the monthly payments of Escrow Items.

8. Documentary and Other Stamps. If at any time the United States, the state in which the Deed of Trust Property is located or any political subdivision thereof, or any department or bureau of any of the foregoing shall require documentary, revenue or other stamps or taxes on the Note or this Deed of Trust, Trustor on demand shall pay for them with any interest or penalties payable thereon.

9. Other Taxes. If any law or ordinance now or hereafter imposes a tax directly or indirectly on Beneficiary with respect to the Deed of Trust Property or any portion thereof (other than an income tax, withholding tax or foreign taxes), the value of Trustor's equity therein, or the Obligations secured by this Deed of Trust, Trustor shall have the right to contest such taxes but shall promptly pay such tax during the pendency of such contest. If Trustor fails to pay such tax or if Trustor is not lawfully permitted to pay such tax, Beneficiary, at its election, shall have the right at any time to give Trustor written notice declaring that the Obligations shall be due on a specified date not less than sixty (60) days thereafter; provided, however, that such election shall be ineffective if, prior to the specified date, Trustor lawfully pays the tax (in addition to all other payments required hereunder) and agrees to pay the tax whenever it becomes due and payable thereafter, which agreement shall then constitute a part of this Deed of Trust.

10. Security Agreement. This Deed of Trust constitutes a security agreement under the Utah Uniform Commercial Code and Trustor hereby grants to Beneficiary a security interest in all existing and future fixtures and other personal property (and the proceeds thereof) included in the Deed of Trust Property which might be deemed "personal property." Beneficiary may proceed under the Utah Uniform Commercial Code as to all or any part of the Deed of Trust Property constituting personal property, and in conjunction therewith may exercise all of the rights, remedies and powers of a secured creditor under the Utah Uniform Commercial Code. Upon the occurrence of any Event of Default, Trustor shall assemble all of such personal property and make the same available within the Improvements. Trustor covenants to retain all of the Deed of Trust Property within Davis County, Utah, other than equipment which, subject to the terms of the Loan Agreement, may be removed. Upon any Event of Default under this Deed of Trust, Beneficiary shall have, in addition to any other rights and remedies under the Loan Documents, all of the rights and remedies granted to a secured party under the Utah Uniform Commercial Code with respect to the fixtures. Upon an Event of Default under this Deed of Trust, Beneficiary shall have all of the rights and remedies set forth in the Loan Agreement with respect to the fixtures. Notwithstanding any release of any or all of that property included in the Deed of Trust Property which is deemed "real property," any proceedings to foreclose this Deed of Trust or its satisfaction of record, the terms hereof shall survive as a security agreement with

respect to the security interest created hereby and referred to above until the repayment or satisfaction in full of the Obligations.

11. Compliance with Law and Other Matters.

(a) Trustor shall comply with all laws, ordinances, regulations and orders (collectively "Laws") of all Governmental Authorities relating to the Deed of Trust Property and the use and occupancy of the Deed of Trust Property.

(b) Trustor will not initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses which may be made of the Deed of Trust Property or any part thereof, without the prior written consent of Beneficiary. Trustor will not seek any variance under any existing zoning ordinance that could result in the use of the Deed of Trust Property or any part thereof becoming a non-conforming use under any zoning ordinance or any other applicable land use law, rule or regulation. Trustor will not allow the Deed of Trust Property or any part thereof to be used in any manner that could result in the use of the Deed of Trust Property becoming a non-conforming use under any zoning ordinance or any other applicable land use law, rule or regulation.

(c) Trustor will comply with all restrictive covenants, easement agreements and other recorded documents affecting the Deed of Trust Property. Trustor will not record or permit to be recorded any document, instrument, agreement or other writing against the Deed of Trust Property without the prior written consent of Beneficiary.

(d) Trustor shall pay when due all utility charges which are incurred by Trustor, whether public or private and whether or not such charges are or may become liens on the Deed of Trust Property.

(e) Trustor agrees to subject to the lien of this Deed of Trust, in a form reasonably satisfactory to Beneficiary, all additional strips, gores, or parcels of land acquired by Trustor or any leasehold interest therein acquired by Trustor, which adjoin the Deed of Trust Property, and all additional interest in and easements, rights and appurtenances to the Deed of Trust Property above described and in and to said strips, gores and parcels, and to execute and deliver to Beneficiary such security agreements and extensions thereof as Beneficiary reasonably may request and promptly to pay Beneficiary's reasonable costs (including, without limitation, reasonable attorneys' fees and disbursements) in connection therewith and the title insurance premiums necessary to insure such additional land is encumbered by this Deed of Trust as a first lien thereon.

(f) While an Event of Default exists, Trustor agrees to deliver to Beneficiary, within fifteen (15) days after written request by Beneficiary, any and all plans, specifications, renderings, studies, analyses, reports or evaluations in the possession of Trustor with respect to the physical condition of, or the development or use of, the Deed of Trust Property or any part thereof.

(g) The Deed of Trust Property is used as residential space and other uses appurtenant thereto. Trustor shall not suffer or permit the Deed of Trust Property to be used by

the public in such manner as might reasonably tend to impair Trustor's title to the Deed of Trust Property or any portion thereof, or in such manner as might reasonably make possible a right or rights of adverse usage or adverse possession by the public, as such, or of implied dedication of the Deed of Trust Property or any portion thereof.

(h) Trustor shall not suffer, permit, consent to or initiate the joint assessment of the Land or the Deed of Trust Property (i) with any other real property constituting a tax lot separate from the Land or the Deed of Trust Property and (ii) with respect to which any portion of the Land or the Deed of Trust Property may be deemed to constitute personal property, or any other procedure whereby the lien of any taxes which may be levied against such personal property shall be assessed or levied or charged to such real property portion of the Land or the Deed of Trust Property.

(i) Trustor shall keep and maintain all Licenses (as defined below) necessary for the operation of the Deed of Trust Property as a multi-family property.

(j) Trustor shall continue to engage in the business presently conducted by it as and to the extent the same is necessary for the ownership, maintenance, management and operation of the Deed of Trust Property. Trustor is organized in the State of Delaware and shall qualify to do business and shall remain in good standing under the laws of the State of Utah and as and to the extent required for the ownership, maintenance, management and operation of the Deed of Trust Property.

(k) Except in accordance with the express terms and conditions contained in the Loan Agreement, Trustor shall not cause or permit a sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or grant of any options with respect to, or any other transfer or disposition (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) of a legal or beneficial interest in the Deed of Trust Property or any part thereof, Trustor, any constituent owner or other holder of a direct or indirect equity interest in Trustor.

12. Required Notices. Trustor shall notify Beneficiary promptly of the occurrence of any of the following:

(i) A fire or other casualty if such damage, destruction or casualty is likely to cost in excess of \$100,000.00 damage to the Deed of Trust Property;

(ii) Receipt of notice of eminent domain proceedings or of any actual or threatened condemnation of the Deed of Trust Property;

(iii) Receipt of a notice from any Governmental Authority relating to the condition, structure, use or occupancy of the Deed of Trust Property or any real estate adjacent to any Deed of Trust Property;

(iv) Receipt of any notice of default or threatened default, notice of lease termination or similar material notice from a tenant under any of the Leases; or

(v) A material change in the occupancy of the Deed of Trust Property.

13. Condemnation.

(a) In the event of any condemnation or taking of any part of the Deed of Trust Property by eminent domain, alteration of the grade of any street, or other injury to or decrease in the value of the Deed of Trust Property by any public or quasi-public authority or corporation, all proceeds (that is, the award or agreed compensation for the damages sustained) allocable to Trustor or the Deed of Trust Property, after deducting therefrom all costs and expenses (regardless of the particular nature thereof and whether incurred with or without suit) including, without limitation, attorneys' fees and expenses incurred by Beneficiary in connection with the collection of such proceeds, shall be applied as set forth in this Section. No settlement for the damages sustained shall be made by Trustor without Beneficiary's prior written approval, which approval shall not be unreasonably withheld. All of the proceeds (i) are hereby assigned to and shall be paid to Beneficiary and (ii) shall be applied in the order and in the amounts that Beneficiary, in Beneficiary's sole discretion, may elect, to the payment of the Obligations secured by this Deed of Trust. Notwithstanding the foregoing sentence and provided that no Event of Default has occurred and is continuing, if Beneficiary determines that the Deed of Trust Property can be restored to an economically viable condition not later than ninety (90) days prior to the maturity date of the Note, Beneficiary shall make the net condemnation proceeds available to Trustor, in advance, for the sole purpose of altering, restoring or rebuilding any part of the Deed of Trust Property which may have been altered, damaged or destroyed as a result of the taking, alteration of grade or other injury to the Deed of Trust Property. If Beneficiary elects to use any portion of any condemnation award or compensation to restore or rebuild any part of the Deed of Trust Property in accordance with the preceding sentence, Beneficiary shall disburse the proceeds and the restoration shall be completed in accordance with the provisions of Section 5.01(c) of the Loan Agreement. Trustor, upon request by Beneficiary, shall make, execute and deliver any and all instruments requested for the purpose of confirming the assignment of any awards and compensation described in this Section 13(a) to Beneficiary free and clear of any Liens of any kind or nature whatsoever.

(b) If, prior to the receipt of the proceeds by Beneficiary the Deed of Trust Property shall have been sold on foreclosure of this Deed of Trust, Beneficiary shall have the right to receive the proceeds to the extent of:

(i) the full amount of all such proceeds if Beneficiary is the successful purchaser at the foreclosure sale, or

(ii) if anyone other than Beneficiary is the successful purchaser at the foreclosure sale, any deficiency (as hereinafter defined) due to Beneficiary in connection with the foreclosure sale, with interest thereon at the highest applicable rate set forth in the Note, and reasonable counsel fees, costs and disbursements incurred by Beneficiary in connection with collection of such proceeds of condemnation and the establishment of such deficiency. For purposes of this subsection (b) (ii), the word "deficiency" shall be deemed to mean the difference between (A) the net sale proceeds actually received in cash by Beneficiary as a result of such foreclosure sale less any costs and expenses incurred by Beneficiary in connection with enforcement of its rights under the Loan Agreement, this Deed of Trust and the other Loan Documents and (B) the aggregate amount of the Obligations.

(c) Beneficiary shall have the right to prosecute to final determination or settlement an appeal or other appropriate proceedings in the name of Beneficiary or Trustor, for which Beneficiary is hereby appointed irrevocably as attorney-in-fact for Trustor, which appointment, being for security, is irrevocable. In that event, the expenses of the proceedings, including, without limitation, reasonable counsel fees and expenses, shall be paid first out of the proceeds, and only the excess, if any, paid to Beneficiary shall be credited against the amounts due under this Deed of Trust.

(d) Nothing herein shall limit the rights otherwise available to Beneficiary, at law or in equity, including, without limitation, the right to intervene as a party to any condemnation proceeding.

14. Completion of Construction. Trustor shall complete and timely pay for any construction which is commenced at any time on the Deed of Trust Property free of any mechanics liens or other liens. All such construction shall comply with all applicable laws and shall be performed in a good and workmanlike manner. Nothing contained in this Section shall be deemed to waive any right Beneficiary may have under the Loan Documents to approve construction on the Deed of Trust Property.

15. Leases.

(a) Trustor hereby represents that there are no leases or agreements to lease all or any part of the Deed of Trust Property now in effect except the Leases described in the rent roll previously provided to Beneficiary. There are no prior sales, transfers or assignments of the Leases or any portion of the rents due and payable or to become due and payable which are presently outstanding following the funding of the Term Loan, other than those being terminated or assigned to Trustee and Beneficiary concurrently herewith. Trustor agrees not to enter into any Leases or agreements to lease all or any part of the Deed of Trust Property or to modify, amend, terminate or consent to the surrender of, or assign its interest in, any Leases or to permit the tenant or subtenant thereunder to subordinate its Leases to any lien subordinate to this Deed of Trust, other than as expressly permitted by the terms of the Loan Agreement.

(b) Trustor shall (i) observe and perform the obligations imposed upon the lessor under the Leases in a commercially reasonable manner and (ii) enforce the terms, covenants and conditions contained in the Leases upon the part of the lessee thereunder to be observed or performed in a commercially reasonable manner. Trustor shall cause each lessee under each Lease to (i) pay all rents, (ii) diligently perform and observe all of the terms, covenants and conditions of such Lease on the part of such lessee, as tenant thereunder, (iii) promptly deliver to Beneficiary copies of any notice of default by any party under such Lease, or of any notice given by Trustor as landlord under such Lease to terminate such Lease or to re-enter and take possession of any portion of the Deed of Trust Property, immediately upon delivery of such notice and (iv) promptly notify Beneficiary of any bankruptcy, reorganization or insolvency of Trustor as landlord under such Lease or of any notice thereof, and deliver to Beneficiary a true copy of such notice within five (5) Business Days of such lessee's receipt thereof.

(c) Except as expressly permitted by the terms of the Loan Agreement, Trustor shall not permit any lessee under any Lease, without prior written consent of Beneficiary, to surrender the leasehold estate created by such Lease or terminate, cancel or disaffirm such Lease or modify, change, surrender, supplement, alter or amend such Lease, either orally or in writing.

(d) Upon receipt by Trustor, from time to time, of any security deposit, prepaid rent (other than prepaid rent for the next succeeding calendar month), or similar payments by a tenant, subtenant, licensee or other user of the Deed of Trust Property, Trustor shall deposit such sum in a separate escrow account with a national or state bank having banking offices in the state in which the Deed of Trust Property is located. Trustor shall promptly give Beneficiary written notice of the name and address of the bank and the account number of the escrow account. Trustor shall also give written authorization to such bank to permit Beneficiary to receive any information requested by Beneficiary from the bank as to the status and balance of such account. Said sums shall be held in trust by Trustor and disbursed only upon the prior written approval of Beneficiary, which approval shall not be unreasonably withheld. The prior written consent of Beneficiary shall not be required when by law (or agreement approved by Beneficiary) Trustor is required to return any of such sums to the party who deposited it with Trustor. Trustor hereby assigns all of such bank accounts to Beneficiary as collateral security for the Obligations and Trustor agrees that after an Event of Default by Trustor under the Loan Documents, the sums in said bank accounts shall, at the election of Beneficiary, be payable to Beneficiary as assignee of such bank account; provided, however, that Beneficiary shall have no liability for any prior misapplication of said sums by Trustor.

16. Right to Remedy Defaults.

(a) If Trustor should fail to pay corporate taxes, Impositions, Taxes, sums due under any permitted Lien against the Deed of Trust Property, or insurance premiums, or any sums payable by Trustor pursuant to the Leases, or fail to make necessary repairs to the Deed of Trust Property, or permit waste to the Deed of Trust Property, or shall otherwise fail to perform its obligations under this Deed of Trust, Beneficiary, at its election, after giving Trustor three (3) Business Days' notice of such failure (except in an emergency in which case no such notice shall be required), shall have the right to make any payment or expenditure and to take any action which Trustor should have made or taken, or which Beneficiary deems advisable to protect the security of this Deed of Trust or the Deed of Trust Property, without prejudice to any of Beneficiary's rights or remedies available hereunder or otherwise, at law or in equity. Such payment by Beneficiary shall not release Trustor from Trustor's obligations or constitute a waiver of Trustor's default under this Deed of Trust.

(b) Beneficiary in making any payment authorized by this Section 16: (i) relating to Taxes and corporate taxes, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of the Tax or claim thereof; or (ii) for the purchase, discharge, compromise or settlement of any other Lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (iii) for the payment of any sums to cure any default under the Leases, may do so without inquiry as to the validity or amount of any claimed default thereunder. In exercising its rights hereunder Beneficiary may,

but need not, make full or partial payments on any Lien, if any, and purchase, discharge, compromise or settle any tax lien or other Lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Deed of Trust Property or contest any tax. Such payments will be deemed made by Beneficiary at Trustor's request and Beneficiary shall be subrogated to any and all rights and liens held by the owner or holder of any Lien, irrespective of whether such Lien is released or satisfied.

(c) All such sums, as well as costs, advanced by Beneficiary pursuant to this Deed of Trust shall be due immediately from Trustor to Beneficiary, shall be secured by this Deed of Trust and the lien therefore shall relate back to the date of this Deed of Trust, and such sums, as well as costs, shall bear interest at the highest applicable default rate under the Loan Agreement from the date of payment by Beneficiary until the date of repayment to Beneficiary.

(d) Anything herein to the contrary notwithstanding, (a) Trustor shall remain liable under the contracts and agreements included in the Deed of Trust Property to the extent set forth therein and perform all of its duties and obligations thereunder to the same extent as if this Deed of Trust had not been executed, (b) the exercise by Beneficiary of any of the rights hereunder shall not release the Trustor from any of its duties or obligations under the contracts and agreements included in the Deed of Trust Property, and (c) Beneficiary shall not have any obligation or liability under the contracts and agreements included in the Deed of Trust Property by reason of this Deed of Trust, nor shall the Beneficiary be obligated to perform any of the obligations or duties of the Trustor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

17. Events of Default. Each of the following shall constitute an "Event of Default" under this Deed of Trust:

(a) Trustor's non-performance or non-compliance with any of the agreements, conditions, covenants, provisions or stipulations contained in this Deed of Trust and the continuance of such default for thirty (30) days after the occurrence thereof; or

(b) The occurrence of an Event of Default under the Loan Agreement, the Guaranty or any other Loan Document.

18. Remedies.

(a) Upon the occurrence of an Event of Default, Beneficiary may exercise all rights and remedies under the Loan Agreement and the other Loan Documents.

(b) Without limiting the foregoing, upon the occurrence of an Event of Default, Trustee and/or Beneficiary may also immediately pursue one or more of the following remedies:

(i) Foreclosure. Trustee may institute an action of foreclosure against the Deed of Trust Property or any portion thereof, or take such other action at law or in equity for the enforcement of this Deed of Trust and realization on the deed of trust security or any other security herein or elsewhere provided for, as the law may allow, and may proceed therein to final judgment and execution for the entire unpaid balance of the Obligations, with interest at the

highest applicable default rate set forth in the Loan Agreement (or as otherwise provided by applicable law), together with all other sums due by Trustor in accordance with the provisions of this Deed of Trust and the other Loan Documents, including, without limitation, all sums which may have been loaned by Beneficiary to Trustor on or after the date of this Deed of Trust, and all sums which may have been advanced by Beneficiary for Taxes, payments on Liens, insurance premiums, utilities or repairs to the Deed of Trust Property and other sums which Beneficiary is permitted to advance pursuant to the terms of this Deed of Trust and/or applicable law, all costs of suit, together with interest at such rate on any judgment obtained by Trustee or Beneficiary from and after the date of any sheriff or other judicial sale until actual payment is made of the full amount due Beneficiary, and all Expenses.

(ii) Possession. Trustee or Beneficiary may enter into possession of the Deed of Trust Property or any portion thereof, with or without legal action, collect therefrom all rentals (which term shall include, without limitation, sums payable for use and occupation) and, after deducting all costs of collection and administration expenses, apply the net rentals to any or all of the following in such order and amounts as Beneficiary, in Beneficiary's sole discretion, may elect: the payment of any sums due under any Lien, Taxes, insurance premiums and all other carrying charges, and to the maintenance, repair or restoration of the Deed of Trust Property, and on account and in reduction of the Obligations; in and for that purpose, Trustor hereby assigns to Beneficiary all rentals due and to become due under the Leases or rights to use and occupy the Deed of Trust Property hereafter created, as well as all rights and remedies provided in such Leases or at law or in equity for the collection of the rentals. The taking of possession and collections of rents by Beneficiary and/or Trustee shall not be construed to be an affirmation of any Leases or acceptance of attornment with respect to any Leases of all or any portion of the Deed of Trust Property. Beneficiary and/or Trustee, in its discretion, may, as attorney in fact or agent of Trustor, or in its own name as Beneficiary and/or Trustee and under the powers herein granted, hold, operate, manage and control the Deed of Trust Property and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Deed of Trust Property, including, without limitation, actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power to: (A) cancel or terminate any Leases for any cause or on any ground which would entitle Trustor to cancel the same; (B) elect to disaffirm any Leases which are then subordinate to the lien of this Deed of Trust; (C) extend or modify any then existing Leases and to make new Leases, which extensions, modifications and new Leases may provide for terms to expire, or for options to extend or renew terms to expire, beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such Leases, and the options or other such provisions to be contained therein, shall be binding upon Trustor and all persons whose interests in the Deed of Trust Property are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Deed of Trust indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser; and (D) enter into any management, leasing or brokerage agreements covering the Deed of Trust Property or any part thereof.

(iii) State Specific Remedies. Beneficiary may exercise any of the rights and remedies set forth in Section 40 hereof. **The terms of the Utah Uniform Assignment of Rents Act, Utah Code Annotated, Section 57-26-101 et seq. (the "Act"), are incorporated herein by reference, with the parties acknowledging that the assignment of rents contained herein is a present and absolute assignment and not a collateral assignment of Trustor's interest in the rents (as defined herein and within the meaning of the Act) described therein. In the event of any conflict or inconsistency between the provisions of this Deed of Trust and the provisions of the Act, the provisions of the Act shall control and Beneficiary shall have all rights and remedies available under the Act, which rights and remedies shall be cumulative with all rights and remedies hereunder.**

(c) Trustee and/or Beneficiary shall have the right, from time to time, to bring an appropriate action to recover any Obligations without prejudice to the right of Trustee and/or Beneficiary thereafter to bring an action of foreclosure, or any other action, for any Event of Default by Trustor existing at the time the earlier action was commenced.

(d) Any real estate sold pursuant to any writ of execution issued on a judgment obtained by virtue of this Deed of Trust, or pursuant to any other judicial proceedings under this Deed of Trust, may be sold in one parcel, as an entirety, or in such parcels, and in such manner or order as Trustee, in its sole discretion, may elect.

(e) Upon, or at any time after the filing of an action to foreclose this Deed of Trust, the court in which such action is filed may, at the request of Trustee, appoint a receiver of the Deed of Trust Property. Such appointment may be made either before or after any sale of the Deed of Trust Property, without notice to Trustor, without regard to the solvency or insolvency of Trustor at the time of application for such receiver and without regard to either the then value of the Deed of Trust Property, the adequacy or inadequacy of any remedy available at law, or the solvency or insolvency of any other person liable to pay the Obligations. Such receiver shall have the power to perform all of the acts permitted Trustee pursuant to subsection (b) (ii) above and such other powers which may be necessary or are customary in such cases for the protection, possession, control, management and operation of the Deed of Trust Property during such period.

(f) Trustee and/or Beneficiary may, at their sole option, disaffirm and cancel any Leases which are subordinate to this Deed of Trust at any time before the expiration of sixty (60) days after Beneficiary acquires the legal title to the Deed of Trust Property by trustee's deed or any other transfer of legal title to the Deed of Trust Property pursuant to the exercise of a remedy hereunder or otherwise, even though Beneficiary shall have enforced such Leases, collected rents thereunder or taken any action that might be deemed by law to constitute an affirmation of the Leases. Such disaffirmance shall be made by written notice addressed to the applicable tenants at the Deed of Trust Property or, at Beneficiary's option, such other address of such tenants as may be provided in the Leases.

(g) Trustor, for itself and for all persons hereafter claiming through or under it or who may at any time hereafter become holders of a Lien junior to the lien of this Deed of Trust, hereby expressly waives and releases all rights to direct the order in which any of the Deed of Trust Property shall be sold in the event of any sale or sales pursuant hereto and to have any of the Deed of Trust Property and/or any other property now or hereafter constituting security for

any of the Obligations marshalled upon any foreclosure of this Deed of Trust or of any other security for any of said indebtedness.

(h) If Trustor is an occupant of part or all of the Deed of Trust Property, Trustor shall immediately upon any acceleration after an Event of Default hereunder surrender the possession thereof to Beneficiary and, if Trustor remains in possession, such possession shall be as tenant at sufferance of Beneficiary, and Trustor shall pay monthly in advance to Beneficiary such rent for the premises so occupied as Beneficiary may reasonably demand, and in default of so doing Trustor may be dispossessed by summary proceedings or otherwise with or without any action being brought to foreclose this Deed of Trust and without applying for a receiver to collect the rents. In case of the appointment of a receiver of rents and profits of the Deed of Trust Property, the covenants of this Section may be enforced by such receiver.

(i) Upon any sale made under or by virtue of this Section 18, Beneficiary may bid for and then acquire the Deed of Trust Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Obligations of Trustor the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which the Trustee and/or Beneficiary is authorized to deduct under this Deed of Trust or under any of the other Loan Documents.

(j) Trustee and/or Beneficiary may sell the Deed of Trust Property or any part thereof and all estate, claim, demand, right, title and interest of Trustor therein and rights of redemption thereof, pursuant to power of sale or otherwise, including, without, limitation, pursuant to the non-judicial foreclosure procedures set forth in the applicable law of the State in which the Deed of Trust Property is located, at one or more sales, in whole or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law, and in the event of a sale, by foreclosure or otherwise, of less than all of the Deed of Trust Property, this Deed of Trust shall continue as a lien on the remaining portion of the Deed of Trust Property.

(k) The holder of this Deed of Trust, in any action to foreclose it, shall be entitled to the appointment of a receiver in accordance with the applicable law of the State of Utah.

(l) If Trustee shall have the right to foreclose this Deed of Trust, Trustor authorizes Trustee at its option to foreclose this Deed of Trust subject to the rights of any tenants of the Deed of Trust Property, and the failure to make any such tenants parties defendant to any such foreclosure proceeding and to foreclose their rights will not be asserted by Trustor as a defense to any proceeding instituted by Trustee to collect the Obligations or any deficiency remaining unpaid after the foreclosure sale of the Deed of Trust Property, it being expressly understood and agreed, however, that nothing herein contained shall prevent Trustee from asserting in any proceeding disputing the amount of the deficiency or the sufficiency of any bid at such foreclosure sale, that any such tenancies adversely affect the value of the Deed of Trust Property.

19. Rights and Remedies Cumulative.

(a) The rights and remedies of Trustee and/or Beneficiary as provided in this Deed of Trust and the other Loan Documents and in the warrants attached thereto or contained therein shall be cumulative and concurrent; may be pursued separately, successively or together against Trustor or against the Deed of Trust Property, or both, at the sole discretion of Trustee and/or Beneficiary, and may be exercised as the need to exercise such rights and remedies shall arise. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

(b) Any failure by Trustee and/or Beneficiary to insist upon strict performance by Trustor of any of the provisions of this Deed of Trust or the other Loan Documents shall not be deemed to be a waiver of any of the terms or provisions of the Deed of Trust or the other Loan Documents, and Beneficiary shall have the right thereafter to insist upon strict performance by Trustor of any and all of them.

(c) Neither Trustor nor any other person now or hereafter obligated for payment of all or any part of the sums now or hereafter secured by this Deed of Trust shall be relieved or discharged of such obligation by reason of the failure of Trustee and/or Beneficiary to comply with any request of Trustor or of any other person so obligated to take action to foreclose on this Deed of Trust or otherwise enforce any provisions of this Deed of Trust or the other Loan Documents, or by reason of the release, regardless of consideration, of all or any part of the security held for the Obligations, or by reason of consenting to the granting of any easements or recordation of restrictive covenants affecting the Deed of Trust Property or by reason of any agreement or stipulation between any subsequent owner of the Deed of Trust Property and Beneficiary extending the time or amount of payment or modifying the terms of this Deed of Trust or the other Loan Documents without first having obtained the consent of Beneficiary or such other person; and in the latter event Trustor and all such other persons shall continue to be liable to make payments according to the terms of any such extension or modification agreement, unless expressly released and discharged in writing by Beneficiary.

(d) Beneficiary may release, regardless of consideration, any part of the security held for the Obligations without, as to the remainder of the security, in any way impairing or affecting the lien of this Deed of Trust or its priority over any subordinate lien.

(e) For payment of the Obligations secured hereby Beneficiary may resort to any other security therefore held by Beneficiary in such order and manner as Beneficiary may elect.

(f) The receipt by Beneficiary of any sums from Trustor after the date on which Beneficiary elects to accelerate the Obligations by reason of an Event of Default hereunder shall not constitute a cure or waiver of such default or a reinstatement of this Deed of Trust or the other Loan Documents unless Beneficiary expressly agrees, by written notice to Trustor, that such payment shall be accepted as a cure or waiver of the default.

20. Trustor's Waivers. Trustor hereby waives and releases:

(a) All procedural errors, defects and imperfections in any proceeding instituted by Trustee and/or Beneficiary under the Note, this Deed of Trust or any other Loan Document;

(b) All benefit that might accrue to Trustor by virtue of any present or future law, exempting the Deed of Trust Property, or any part of the proceeds arising from any sale thereof, from attachment, levy or sale on execution, or providing for any stay of execution, exemption from civil process or extension of time for payment; and

(c) Unless specifically required herein, all notices of Trustor's default or of Beneficiary's election to exercise, or Beneficiary's actual exercise of, any option under the Leases, the Note, this Deed of Trust or any other Loan Document.

21. Further Assurances. Trustor will, at the expense of Trustor, execute and deliver such further instruments and perform such further acts as may be reasonably requested by Beneficiary from time to time in order to perfect and protect any pledge, assignment or security interest granted or purported to be granted by the Trustor under this Deed of Trust, to confirm the priority of the lien created by this Deed of Trust on any property, rights or interest encumbered or intended to be encumbered by the lien of this Deed of Trust or the other Loan Documents or to enable Beneficiary to exercise and enforce its rights and remedies hereunder with respect to any Deed of Trust Property.

22. Reserved.

23. Representations and Warranties. Trustor represents, warrants and covenants to and with Beneficiary that:

(a) There are no pending or, to the best of Trustor's knowledge, threatened proceedings or actions to revoke, invalidate, rescind, or modify the zoning classification or status of the Land or any Deed of Trust Property, or any building, occupancy or other permits heretofore issued with respect thereto, or asserting that such zoning or permits do not permit either the current or proposed use of the Land or any Deed of Trust Property.

(b) There are no Leases or other arrangements for occupancy of space within the Land or the Deed of Trust Property other than Leases previously furnished to Beneficiary. The certified rent roll delivered to Beneficiary is true, complete and correct in all material respects as of the date set forth herein. No Person has any possessory interest in the Land or the Deed of Trust Property or right to occupy the same except under and pursuant to the provisions of the Leases. The current Leases are in full force and effect and, to the best of Trustor's knowledge, there are no material defaults thereunder by either party (other than as expressly disclosed on the certified rent roll or the tenant estoppel certificates delivered to Beneficiary) and there are no conditions that, with the passage of time or the giving of notice, or both, would constitute material defaults thereunder. No rent has been paid more than one month in advance of its due date, except as disclosed in the tenant estoppels certificates delivered to Beneficiary. There has been no prior sale, transfer or assignment, hypothecation or pledge by Trustor of any Lease or rents which will be outstanding following the funding of the Term Loan, other than

those being assigned to Beneficiary concurrently herewith. No tenant under any Lease has a right or option to purchase such Lease or otherwise purchase all or any part of the Land or the Deed of Trust Property or any other Collateral.

(c) The Land and the Deed of Trust Property have access to and adequate supply of water, electricity, gas, storm and sanitary sewerage and other required public utilities to serve the present and contemplated uses of the Land and the Deed of Trust Property, fire and police protection, and free means of appropriate vehicular and pedestrian access between the Land, the Deed of Trust Property and public ways and highways; and none of the foregoing will be delayed or impeded by virtue of any requirements under any applicable laws including, without limitation, environmental protection laws; and that all of the foregoing comply with all applicable laws including, without limitation, environmental protection laws. All utilities necessary to the existing use of the Land and the Deed of Trust Property are located either in the public right-of-way abutting the Land and the Deed of Trust Property (which are connected so as to serve the Land and the Deed of Trust Property without passing over other property) or in recorded easements serving the Land and the Deed of Trust Property and such easements are set forth and insured by the title insurance policy insuring the lien of this Deed of Trust. All roads necessary for the use of the Land and the Deed of Trust Property for their current purposes have been completed and, if necessary, dedicated to public use.

(d) If any construction has occurred at the Land or the Deed of Trust Property within the last twelve (12) months, the construction has been completed substantially in accordance with the applicable laws and governmental approvals and, all such improvements are in good working order and are structurally sound and fit for their current use.

(e) All certifications, permits, licenses and approvals including, without limitation, certificates of completion and occupancy permits required of Trustor for the legal use, occupancy and operation of the Deed of Trust Property as a commercial property (collectively, the "**Licenses**") have been obtained and are in full force and effect. The use being made of the Deed of Trust Property is in conformity with the certificate of occupancy issued for the Deed of Trust Property.

(f) All transfer taxes, deed stamps, intangible taxes and other amounts in the nature of transfer taxes required to be paid by any Person under applicable laws currently in effect in connection with the transfer of the Deed of Trust Property to Trustor have been paid. All mortgage, mortgage recording, stamp, intangible and other similar taxes required to be paid by any Person under applicable laws currently in effect in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Loan Documents, including, without limitation, this Deed of Trust, have been paid.

(g) There are no pending or proposed special or other assessments for public improvements or otherwise affecting the Land or the Deed of Trust Property, nor are there any contemplated improvements to the Land or the Deed of Trust Property that may result in such special or other assessments.

24. Severability and Savings Clauses. If any provision of this Deed of Trust is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this

Deed of Trust shall remain in full force and effect and shall be liberally construed in favor of Beneficiary in order to effect the remaining provisions of this Deed of Trust.

25. Commercial Loan.

(a) No portion of the proceeds of the Term Loan shall be used by Trustor to finance the purchase or construction of real property containing four (4) or fewer residential units or on which four (4) or fewer residential units are to be constructed.

(b) Trustor hereby stipulates, represents and warrants that the loan secured hereby is a commercial loan, and that all of the proceeds of such loan will be used solely to acquire or carry on a business or commercial enterprise and not for personal, family or household uses.

26. Notices.

(a) All notices, consents and other communications provided for hereunder shall be in writing (including any other method of communication authorized by the Beneficiary) and sent by a reputable overnight courier or delivery service to the Beneficiary or Trustor at the address set forth below, or to the Beneficiary or Trustor at such other address as shall be designated by such party in a written notice to the other party or, in the case of a change of Trustor's address, as may be requested by Trustor by email notice and confirmed in writing by the Beneficiary.

If to Beneficiary: Morgan Stanley Private Bank, National Association
c/o Morgan Stanley Smith Barney LLC
2000 Westchester Avenue, Floor 2NE
Purchase, New York 10577
Attention: Portfolio Management

with copies to: Loeb & Loeb LLP
345 Park Avenue
New York, New York 10154
Attention: Jeffrey S. Fried, Esq.

If to Trustor: BROWNSTONE PAULINE, LLC
3135 South Richmond Street
Salt Lake City, Utah 84106
Attention: Nathan Fredrick

with copies to: Clark Business Law, PLLC
191 North 290 West
Lindon, Utah 84042
Attention: Carlton M. Clark, Esq.

If to Trustee: Inwest Title Services, Inc.
2037 West Commerce Way
West Haven, Utah 84401
Attention: Todd Stanger

(b) Any notice sent by Beneficiary or Trustor by any of the above methods shall be deemed to be given when so received by Beneficiary or Trustor.

(c) Beneficiary shall be fully entitled to rely upon any writing purported to be sent by any authorized officer of Trustor as being genuine and authorized.

(d) Time of Essence. Time shall be of the essence of each provision of this Deed of Trust of which time is an element.

27. Covenant Running with the Land. Any act or agreement to be done or performed by Trustor shall be construed as a covenant running with the land and shall be binding upon Trustor and its successors and assigns as if they had personally made such agreement.

28. Amendment. This Deed of Trust cannot be changed or amended except by agreement in writing signed by the party against whom enforcement of the change or amendment is sought to be enforced.

29. Applicable Law. This Deed of Trust and all questions relating to its validity, interpretation, performance and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of Utah, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary, and without the aid of any canon, custom or rule of law requiring construction against the draftsman.

30. Financing Statement. This Deed of Trust is effective as a financing statement which is filed as a "fixture filing" pursuant to Section 9a-502 (or any other applicable section) of the Utah Uniform Commercial Code from the date of recordation of this Deed of Trust with respect to the following types of goods which are or will be fixtures related to the Deed of Trust Property:

Fixtures, equipment, appliances and furnishings and the items set forth in the granting clauses of this Deed of Trust and on Exhibit B hereto.

For the purpose of this Paragraph, Trustor is the Debtor, and Beneficiary is the Secured Party and their addresses are as set forth in the recitals of this Deed of Trust. The record owner of the Land and the Deed of Trust Property is Trustor.

31. Definitions and Interpretation. Whenever used in this Deed of Trust, unless the context clearly indicates a contrary intent:

(a) The word "**Trustor**" shall mean the person who executes this Deed of Trust as "Trustor" and any subsequent owner of the Deed of Trust Property and their respective heirs, executors, administrators, successors and assigns;

(b) The word "**Beneficiary**" shall mean the person specifically named herein as "Beneficiary" or any subsequent holder of this Deed of Trust;

(c) “**Expenses**” shall mean all out-of-pocket fees, charges, costs and expenses of any nature whatsoever incurred at any time and from time to time (whether before or after an Event of Default) by Beneficiary in making, funding, administering or modifying the Term Loan, in negotiating or entering into any workout of the Term Loan, or in exercising or enforcing any rights, powers and remedies provided in this Deed of Trust or any of the other Loan Documents, including, without limitation, reasonable attorneys’ fees and expenses, court costs, receiver’s fees, management fees and costs incurred in the repair, maintenance and operation of, or taking possession of, or selling, all or any part of the Deed of Trust Property.

(d) “**Impositions**” means all ground rents and all taxes (including, without limitation, all real estate, ad valorem or value added, sales (including, without limitation, those imposed on lease rentals), use, single business, gross receipts, intangible transaction privilege, privilege, license or similar taxes), assessments (including, without limitation, to the extent not discharged prior to the date hereof, all assessments for public improvements or benefits, whether or not commenced or completed within the term of the Term Loan), water, sewer or other rents and charges, excises, levies, fees (including, without limitation, license, permit, inspection, authorization and similar fees), and all other governmental charges, in each case whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every character in respect of the Deed of Trust Property, (including all interest and penalties thereon), which at any time prior to, during or in respect of the term hereof may be assessed or imposed on or in respect of or be a Lien upon (i) Trustor (including, without limitation, all income, franchise, single business or other taxes imposed on Trustor for the privilege of doing business in the jurisdiction in which the Deed of Trust Property is located) or Beneficiary (including, without limitation, taxes resulting from future changes in law which impose upon Beneficiary or any trustee an obligation to pay any property taxes or other taxes or which otherwise adversely affect Beneficiary’s interests), (ii) the Deed of Trust Property or any part thereof, or (iii) any occupancy, operation, use or possession of, or sales from, or activity conducted on, or in connection with the Deed of Trust Property or the leasing or use of the Deed of Trust Property or any part thereof, or the acquisition or financing of the acquisition of the Deed of Trust Property by Trustor.

(e) The use of any gender shall include all genders;

(f) The singular number shall include the plural and the plural the singular as the context may require.

(g) The following phrase shall have the following meanings: (i) “including” shall mean “including but not limited to,” (ii) “provisions” shall mean “provisions, terms, covenants and/or conditions,” (iii) “lien” shall mean “lien, charge, encumbrance, security interest, mortgage and/or deed of trust,” (iv) “obligation” shall mean “obligation, duty, covenant and/or condition,” (v) “any of the Deed of Trust Property” shall mean “the Deed of Trust Property or any part thereof or interest therein,” and (vi) “Partnership” shall mean “partnership or joint venture” and “partner” shall mean “partner or joint venturer.”

(h) Any act which Beneficiary is permitted to perform under the Loan Documents may be performed at any time and from time to time by Beneficiary or any person or entity designated by Beneficiary.

(i) Any act which Trustor is required to perform under the Loan Documents shall be performed at Trustor's sole cost and expense.

(j) Any act which is prohibited to Trustor under the Loan Documents is also prohibited to all tenants or other occupants of any of the Land and the Deed of Trust Property.

(k) The captions preceding the text of the Sections or subsections of this Deed of Trust are inserted only for convenience of reference and shall not constitute a part of this Deed of Trust, nor shall they in any way affect its meaning, construction or effect.

(l) All Exhibits attached hereto are hereby incorporated by reference into, and made a part of, this Deed of Trust.

(m) This Deed of Trust may be executed in counterparts, each of which, together with all counterparts, shall be deemed one Deed of Trust. This Deed of Trust shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories.

(n) Definitions contained in this Deed of Trust which identify documents, including the Loan Documents, shall be deemed to include all amendments and supplements to such documents from the date hereof, and all future amendments and supplements thereto entered into from time to time to satisfy the requirements of this Deed of Trust or otherwise with the consent of Beneficiary. Reference to this Deed of Trust contained in any of the foregoing documents shall be deemed to include all amendments and supplements to this Deed of Trust.

32. No Third Party Benefits. This Deed of Trust and the other Loan Documents are made for the sole benefit of Trustor and Beneficiary and their successors and assigns, and no other party shall have any legal interest of any kind under or by reason of any of the foregoing. Whether or not Beneficiary elects to employ any or all the rights, powers or remedies available to it under any of the foregoing, Beneficiary shall have no obligation or liability of any kind to any third party by reason of any of the foregoing or any of Beneficiary's actions or omissions pursuant thereto or otherwise in connection with the transaction evidenced by the Note and secured by this Deed of Trust.

33. Failure of Beneficiary to Perform.

(a) Neither Beneficiary nor any agent or attorney of Beneficiary shall be liable to Trustor for consequential damages, whatever the nature of a breach by Beneficiary of its obligations under this Deed of Trust, or any of the other Loan Documents, and Trustor for itself and all parties claiming through Trustor hereby waives all claims for consequential damages.

(b) Beneficiary shall not be in default under this Deed of Trust, or under any other Loan Documents, unless a written notice specifically setting forth the claim of Trustor shall have been given to Beneficiary within thirty (30) days after Trustor first had knowledge of, or reasonably should have had knowledge of, the occurrence of the event which Trustor alleges gave rise to such claim and Beneficiary does not remedy or cure the default, if any there be, promptly thereafter.

(c) Any action taken by Beneficiary to inspect the Deed of Trust Property, and to approve leases and all other documents and instruments submitted to Beneficiary, will be exercised and taken by Beneficiary for its own protection only and may not be relied upon by Trustor any other party for any purposes whatever; and Beneficiary shall not be deemed to have assumed any responsibility to Trustor any other party with respect to any such action herein authorized or taken by Beneficiary with respect to the proper construction of improvements on the Deed of Trust Property, or performance under any lease or other agreement. Any review, investigation or inspection conducted by Beneficiary, any architectural or engineering consultants retained by Beneficiary or any agent or representative of Beneficiary in order to verify independently Trustor's satisfaction of any conditions precedent to loan disbursements, Trustor's performance of any of the covenants, agreements and obligations of Trustor, or the truth of any representations and warranties made by Trustor hereunder or under any of the Loan Documents (regardless of whether or not the party conducting such review, investigation or inspection should have discovered that any of such conditions precedent were not satisfied or that any such covenants, agreements or obligations were not performed or that any such representations or warranties were not true), shall not affect (or constitute a waiver by Beneficiary of) (i) any of Trustor's representations and warranties under this Deed of Trust or any of the other Loan Documents or Beneficiary's reliance thereon or (ii) Beneficiary's reliance upon any certifications of Trustor under the Loan Documents or any other facts information or reports furnished to Beneficiary by Trustor.

34. WAIVER OF TRIAL BY JURY. TRUSTOR AND BENEFICIARY EACH HEREBY WAIVE ANY AND ALL RIGHTS IT MAY HAVE TO A JURY TRIAL IN CONNECTION WITH ANY LITIGATION, PROCEEDING OR COUNTERCLAIM ARISING WITH RESPECT TO RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO OR UNDER THE LOAN DOCUMENTS OR WITH RESPECT TO ANY CLAIMS ARISING OUT OF ANY DISCUSSIONS, NEGOTIATIONS OR COMMUNICATIONS INVOLVING OR RELATED TO ANY PROPOSED RENEWAL, EXTENSION, AMENDMENT, MODIFICATION, RESTRUCTURE, FORBEARANCE, WORKOUT, OR ENFORCEMENT OF THE TRANSACTIONS CONTEMPLATED BY THE LOAN DOCUMENTS.

35. Consequential Damages. Neither Beneficiary nor any agent or attorney of Beneficiary, shall be liable for any consequential damages arising from any breach of contract, tort or other wrong relating to the establishment, administration or collection of the obligations.

36. Copy of Deed of Trust. Trustor hereby declares and acknowledges that it has received, without charge, a true copy of this Deed of Trust.

37. Notice to Prior Lien Holders. Trustor hereby authorizes Beneficiary, without liability and at Beneficiary's sole discretion, to give notice in form and substance satisfactory to Beneficiary of the lien and security interest created by this Deed of Trust to a holder of a previously recorded deed of trust which is a lien on the Deed of Trust Property, in order, among other things, to subordinate further advances by such deed of trust holder.

38. General Indemnification. Trustor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties (as defined below) from and against any and all claims, suits, liabilities (including, without limitation, strict liabilities),

actions, proceedings, obligations, debts, damages, losses, costs, expenses, diminutions in value, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement, punitive damages, foreseeable and unforeseeable consequential damages, of whatever kind or nature (including, without limitation, attorneys' fees and expenses and other costs of defense) (the "**Losses**") imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following, except to the extent any of the following are attributable to the gross negligence or willful misconduct of an Indemnified Party: (a) ownership of this Deed of Trust, the Deed of Trust Property or any interest therein or receipt of any rents; (b) any amendment to, or restructuring of, the Obligations, and the Note, this Deed of Trust or any other Loan Documents; (c) any and all lawful action that may be taken by Beneficiary in connection with the enforcement of the provisions of this Deed of Trust or the Note or any of the other Loan Documents, whether or not suit is filed in connection with same, or in connection with Trustor and/or any partner, joint venturer or shareholder thereof becoming a party to a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding; (d) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Deed of Trust Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (e) any use, nonuse or condition in, on or about the Deed of Trust Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (f) performance of any labor or services or the furnishing of any materials or other property in respect of the Deed of Trust Property or any part thereof; (g) any failure of the Deed of Trust Property to be in compliance with any applicable laws; (h) the enforcement by any Indemnified Party of the provisions of this Section 38; (i) any and all claims and demands whatsoever which may be asserted against Beneficiary by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in any Lease; (j) the payment of any commission, charge or brokerage fee to anyone which may be payable in connection with the funding of the loan evidenced by the Note and secured by this Deed of Trust; or (k) any misrepresentation made by Trustor in this Deed of Trust or any other Loan Document. Any amounts payable to Beneficiary by reason of the application of this Section shall become immediately due and payable and shall bear interest at the Default Rate from the date loss or damage is sustained by Beneficiary until paid in full to Beneficiary. For purposes of this Section, the term "**Indemnified Parties**" means Beneficiary and any directors, officers, shareholders, partners, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns of Beneficiary or any and all of the foregoing.

39. **Restrictions on Transfers; Due on Sale.** The Trustor shall not Transfer (as hereinafter defined) the Deed of Trust Property or any part thereof without first obtaining the written consent of the Beneficiary. Any such Transfer, if the Beneficiary shall not so consent, shall constitute an Event of Default under the terms of this Deed of Trust and the Note, and upon the occurrence thereof Beneficiary may cause this Deed of Trust to be foreclosed and the Deed of Trust Property sold in accordance with law. Should Beneficiary give its consent to any Transfer, Beneficiary may require, as a condition to such consent, the payment of a transfer fee or such other condition as it, in its sole discretion, deems appropriate. As used herein, a "Transfer" means any voluntary or involuntary assignment, transfer, conveyance, pledge, encumbrance, hypothecation, sale, or disposition, or an agreement to assign, transfer, convey, pledge, encumber, hypothecate,

sell, or dispose of, all or any part of the Deed of Trust Property. A Transfer shall exclude any lease of the Deed of Trust Property permitted by the Loan Agreement.

40. STATE-SPECIFIC PROVISIONS.

(a) Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Section 40 and the terms and conditions of this Deed of Trust, the terms and conditions of this Section 40 shall control and be binding.

(b) Waiver of Marshaling, and Other Exemptions. Notwithstanding the existence of any other security interests in the Deed of Trust Property held by Beneficiary or by any other party, Beneficiary shall have the right to determine the order in which any or all of the Deed of Trust Property shall be subjected to the remedies provided in this Deed of Trust and/or any other Loan Document or by applicable law. Beneficiary shall have the right to determine the order in which any or all portions of the Obligations are satisfied from the proceeds realized upon the exercise of such remedies. Trustor, for itself and all who may claim by, through, or under it, and any party who now or in the future acquires a security interest in the Deed of Trust Property and who has actual or constructive notice of this Deed of Trust waives any and all right to require the marshaling of assets or to require that any of the Deed of Trust Property be sold in the inverse order of alienation or that any of the Deed of Trust Property be sold in parcels (at the same time or different times) in connection with the exercise of any of the remedies provided in this Deed of Trust or any other Loan Documents.

(c) Releases, Extensions, Modifications and Additional Security. Without affecting the personal liability of any Person, including Trustor and Guarantors, for the payment of the Obligations or the lien of this Deed of Trust on the remainder of the Deed of Trust Property for the unpaid amount of the Obligations, Beneficiary and Trustee (acting with Beneficiary's prior written approval) are respectively empowered as follows:

(i) Beneficiary may from time to time and without notice:

(1) release any Person liable for payment of any Obligation;

(2) extend the time for payment, or otherwise alter the terms of payment, of any Obligation;

(3) accept additional real or personal property of any kind as security for any Obligation, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security; and/or

(4) alter, substitute or release any property securing the Obligations.

(ii) Trustee may perform any of the following acts when requested to do so by Beneficiary in writing:

(1) consent to the making of any plat or map of the Land or any part of it;

(2) join in granting any easement or creating any restriction affecting the Land or Improvements;

(3) join in any subordination or other agreement affecting this Deed of Trust or the lien of it; or

(4) reconvey the Deed of Trust Property or any part of it without any warranty.

(d) Power of Sale. Upon the occurrence of an Event of Default, Beneficiary may elect to foreclose this Deed of Trust judicially as a mortgage or to exercise the power of sale granted herein. The initial election by Beneficiary to pursue a judicial foreclosure or trustee's sale shall not constitute an election of remedies or otherwise prevent Beneficiary from stopping or suspending the pursuit of a particular remedy and, instead, pursuing any other remedy. In pursuing any remedy, Beneficiary shall comply with, and be entitled to the benefits of, all applicable laws at the time such remedy is pursued, including, without limitation, those applicable to the exercise of the power of sale pursuant to the trust deed statutes then in effect; provided, however, if the trust deed statutes have been repealed or the remedies therein have been, in Beneficiary's opinion, curtailed, then Beneficiary may, if the statutes so permit, apply applicable law at the time this Deed is executed.

(e) If Beneficiary exercises the power of sale granted herein and under the trust deeds statutes of Utah, Trustee and/or Beneficiary shall execute a written notice of such Event of Default and after the lapse of such time as may then be required by Utah Annotated Code Section 57-1-24 or other applicable law following the recordation of the notice of default, and notice of default and notice of sale having been given as then required by Utah Annotated Code Section 57-1-25 and Section 57-1-26 or other applicable law, Trustee, without demand on Trustor may at the direction of Beneficiary, sell the Deed of Trust Property on the date and at the time and place designated in the notice of sale, either as a whole or in separate parcels, and in such order as Beneficiary may determine (but subject to Trustor's statutory right under Utah Annotated Code Section 57-1-27 to direct the order in which the Deed of Trust 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 set forth in the notice of sale. The person conducting the sale may, for any cause deemed 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; provided, if the sale is postponed for longer than forty-five (45) days beyond the date designated in the notice of sale, notice of the time, date, and place of sale shall be given in the same manner as the original notice of sale as required by Utah Annotated Code Section 57-1-27. Trustee shall execute and deliver to the purchaser a trustee's deed, in accordance with Utah Annotated Code Section 57-1-28, conveying the premises so sold, but without any covenant of 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 Beneficiary, may bid at the sale. Trustee shall apply the proceeds of the sale as follows:

(A) FIRST: To the costs and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's and attorney's fees actually incurred not to exceed the amount which may be provided for in the Deed of Trust.

(B) SECOND: To payment of the obligations secured by the Deed of Trust.

(C) THIRD: The balance, if any, to the person or persons legally entitled to the proceeds, or the trustee, in the Trustee's discretion, may deposit the balance of the proceeds with the clerk of the district court of the county in which the sale took place, in accordance with Utah Code Annotated Section 57-1-29.

(f) Upon any sale made under or by virtue of this Section 40, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, the Beneficiary may bid for and acquire the Deed of Trust Property, whether by payment of cash or by credit bid in accordance with Utah Code Annotated Section 57-1-28(1)(b). In the event of a successful credit bid, Beneficiary shall make settlement for the purchase price by crediting upon the indebtedness and obligations secured by this Deed of Trust such credit bid amount. Beneficiary, upon so acquiring the Deed of Trust Property or any part thereof, shall be entitled to hold, lease, rent, operate, manage, and sell the same in any manner provided by applicable laws.

(g) For purposes of Utah Code Annotated Section 57-1-28, Trustor agrees that all default interest, late charges, any prepayment premiums, swap breakage fees and similar amounts, if any, owing from time to time under the Note or other Loan Documents shall constitute a part of and be entitled to the benefits of Beneficiary's Deed of Trust lien upon the Deed of Trust Property, and (ii) Trustor may add all default interest, late charges, prepayment premiums, swap breakage fees and similar amounts owing from time to time to the principal balance of the Note in its sole discretion, and in either case Trustor may include all such amounts in any credit which Beneficiary may make against its bid at a foreclosure sale of the Deed of Trust Property pursuant to this Deed of Trust.

(h) Trustor agrees to pay any deficiency arising from any cause, to which Beneficiary may be entitled after applications of the proceeds of any trustee's sale, and Beneficiary may commence suit to collect such deficiency in accordance with Utah Code Annotated Section 57-1-32 or other applicable law. Trustor agrees for purposes of Utah Code Annotated Section 57-1-32 that the value of the Deed of Trust Property as determined and set forth in an FIRREA appraisal of the Deed of Trust Property as obtained by Beneficiary on or about the date of the sale or the recording of a notice of default and election to sell shall constitute the "fair market value" of the Deed of Trust Property for purposes of Utah Code Annotated Section 57-1-32. Beneficiary, at its option, may proceed to foreclose this Deed of Trust, in one or several concurrent or consecutive proceedings, without relief from valuation and appraisal laws.

(i) Trustor knowingly waives, to the fullest extent permitted by applicable law, the rights, protections and benefits afforded to Trustor under Utah Code Annotated Sections 78B-6-901 and 57-1-32 and any successor or replacement statute or any similar laws or benefits.

(j) In the event of any amendment to the provisions of Utah Code Annotated Title 57 or other provisions of Utah Code Annotated referenced in this Deed of Trust, this Deed of Trust shall, at the sole election of Beneficiary, be deemed amended to be consistent with such amendments or Beneficiary may elect not to give effect to such deemed amendments hereto if permitted by applicable law.

PURSUANT TO UTAH CODE ANN. § 25-5-4, TRUSTOR IS HEREBY NOTIFIED THAT THE WRITTEN LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY ALLEGED PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[NO FURTHER TEXT ON THIS PAGE]
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Trustor has caused this Deed of Trust to be duly executed the day and year first above written.

TRUSTOR:

BROWNSTONE PAULINE, LLC
a Utah limited liability company

By: Nathan Frederick
Name: NATHAN FREDRICK
Title: MANAGER

17275382

SIGNATURE PAGE TO
DEED OF TRUST

ACKNOWLEDGMENT

STATE OF Utah)
)
) : ss.:
COUNTY OF Salt Lake)

The foregoing instrument was acknowledged before me this 30th day of January, 2019,
by Nathan Fredrick, Manager of BROWNSTONE PAULINE, LLC, a Utah
limited liability company.

[Signature]
NOTARY PUBLIC

Residing at: Midvale, UT

My commission expires: 12/28/20

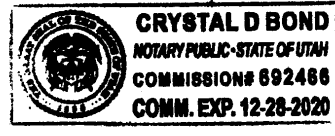


EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1: (16-06-129-016)

ADDRESS: 130 S 300 E, SALT LAKE CITY, UTAH 84111

BEGINNING AT A POINT WHICH IS NORTH 0°01'59" WEST 72.02 FEET (RECORD=NORTH 72 FEET) FROM THE SOUTHEAST CORNER OF LOT 8, BLOCK 72, PLAT "A", SALT LAKE CITY SURVEY; AND RUNNING THENCE NORTH 0°01'59" WEST 60.02 FEET (RECORD=NORTH 60 FEET); THENCE SOUTH 89°58'22" WEST 165.05 FEET (RECORD=WEST 10 RODS); THENCE SOUTH 0°01'59" EAST 60.02 FEET (RECORD=SOUTH 60 FEET); THENCE NORTH 89°58'22" EAST 165.05 FEET (RECORD=EAST 10 RODS) TO THE POINT OF BEGINNING.

SITUATE IN SALT LAKE COUNTY, STATE OF UTAH.

PARCEL 2: (16-06-129-014)

ADDRESS: 278 E 100 S, SALT LAKE CITY, UTAH 84111

BEGINNING AT THE NORTHEAST CORNER OF LOT 8, BLOCK 72, PLAT "A", SALT LAKE CITY SURVEY; AND RUNNING THENCE SOUTH 0°02'04" EAST 117.00 FEET (RECORD=SOUTH 117 FEET); AND RUNNING THENCE SOUTH 89°58'22" WEST 66.00 FEET (RECORD=WEST 66 FEET); THENCE NORTH 0°02'04" WEST 117.00 FEET (RECORD=NORTH 117 FEET); THENCE NORTH 89°58'22" EAST 66.00 FEET (RECORD=EAST 66 FEET) TO THE POINT OF BEGINNING.

PARCEL 2A:

TOGETHER WITH THE FOLLOWING DESCRIBED RIGHT OF WAY:

BEGINNING AT A POINT 117 FEET SOUTH FROM THE NORTHEAST CORNER OF SAID LOT 8, AND RUNNING THENCE SOUTH 10 FEET; THENCE WEST 8 RODS; THENCE NORTH 10 FEET; THENCE EAST 8 RODS TO THE POINT OF BEGINNING.

SITUATE IN SALT LAKE COUNTY, STATE OF UTAH.

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PARCEL 3: (16-06-129-017)

ADDRESS: 136 S 300 E, SALT LAKE CITY, UTAH 84111

BEGINNING AT THE SOUTHEAST CORNER OF LOT 8, BLOCK 72, PLAT "A", SALT LAKE CITY SURVEY AND RUNNING THENCE SOUTH 89°58'22" WEST 165.0 FEET (RECORD=WEST 10 RODS); THENCE NORTH 0°02'04" WEST 72.0 FEET (RECORD=NORTH 72 FEET); THENCE NORTH 89°58'22" EAST 165.0 FEET (RECORD=EAST 10 RODS); THENCE SOUTH 0°02'04" EAST 72.0 FEET (RECORD=SOUTH 72 FEET) TO THE POINT OF BEGINNING.

PARCEL 3A:

TOGETHER WITH THE FOLLOWING DESCRIBED RIGHT OF WAY.

BEGINNING 198 FEET SOUTH FROM THE NORTHEAST CORNER OF SAID LOT 8, BLOCK 72, PLAT "A", SALT LAKE CITY SURVEY, AND RUNNING THENCE WEST 146 FEET; THENCE SOUTH 60 FEET; THENCE EAST 28 FEET 8 INCHES; THENCE NORTH 51 FEET 6 INCHES; THENCE EAST 117 FEET 4 INCHES; THENCE NORTH 8 FEET 6 INCHES TO THE POINT OF BEGINNING.

SITUATE IN SALT LAKE COUNTY, STATE OF UTAH.

PARCEL 4: (16-06-129-015)

ADDRESS: 120 S 300 E, SALT LAKE CITY, UTAH 84111

BEGINNING AT A POINT WHICH IS SOUTH 0°01'59" EAST 127.03 FEET (RECORD=SOUTH 127 FEET) FROM THE NORTHEAST CORNER OF LOT 8, BLOCK 72, PLAT "A", SALT LAKE CITY SURVEY, AND RUNNING THENCE SOUTH 0°01'59" EAST 71.02 FEET (RECORD=SOUTH 71 FEET); THENCE SOUTH 89°58'22" WEST 131.86 FEET TO A POINT WHICH IS 0.05 FEET PERPENDICULARLY DISTANT EASTERLY FROM THE EAST FACE OF AN EXISTING

BRICK BUILDING; THENCE NORTH 0°00'03" WEST PARALLEL WITH THE FACE OF SAID BUILDING 71.02 FEET; THENCE NORTH 89°58'22" EAST 131.82 FEET TO THE POINT OF BEGINNING.

PARCEL 4A:

TOGETHER WITH A RIGHT OF WAY OVER:

BEGINNING AT A POINT WHICH IS SOUTH 0°01'59" EAST 117.03 FEET (RECORD=SOUTH 117 FEET) FROM THE NORTHEAST CORNER OF SAID LOT 8, AND

RUNNING THENCE SOUTH 0°01'59" EAST 10.00 FEET (RECORD=SOUTH 10 FEET);
THENCE SOUTH 89°58'22" WEST 132.04 FEET (RECORD=WEST 8 RODS); THENCE
NORTH 0°01'59" WEST 10.0 FEET (RECORD=NORTH 10 FEET); THENCE NORTH
89°58'22" EAST 132.04 FEET (RECORD=EAST 8 RODS) TO THE POINT OF BEGINNING.

SITUATE IN SALT LAKE COUNTY, STATE OF UTAH.

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EXHIBIT "B"

PROPERTY SUBJECT TO SECURITY INTEREST

Any and all fixtures, appliances, machinery, equipment furnishings and furniture of any nature whatsoever, and other items of personal property and fixtures at any time now or hereafter owned by Trustor and now or at any time hereafter installed in, attached to or situated in or upon the land described in Exhibit "A" or the buildings and improvements now erected or to be erected thereon (including, without limitation, communications, computer and security systems and the software system therefor), or used or intended to be used in connection with the real estate, or in the operation or maintenance of the buildings and improvements, plant or business situate or operated thereon (the "Property") or in connection with the conduct of Trustor's/Debtor's business whether or not the personal property is or shall be affixed to the Property.

Such personal property and fixtures shall include, without limiting the generality of the foregoing:

All plants, furnaces, boilers, machinery, ranges, engines, stokers, pumps, heaters, tanks, compressors, dynamos, motors, electrical transformers, fittings, siding, pipe, pipe connections, conduits, ducts, partitions, communication systems, storm and screen windows, doors, refrigerators, ovens, kitchen equipment, chests, chairs, desks, bookcases, tables, curtains, hangings, pictures, carpeting, artwork, lighting fixtures and apparatus, furniture, furnishings, elevators and motors, built-in filing cabinets, shelves, water coolers, signs, tools, electrical equipment, and all equipment, appliances and apparatus of every kind and description now or hereafter affixed or attached to or contained within and used or procured for use in connection with said buildings or improvements for heating, cooling, lighting, plumbing, ventilating, sprinkling, irrigating, refrigerating or air conditioning, or for providing water, gas, electricity or other services or for general operation of the buildings and improvements, or the plant or business situate or operated thereon.

All licenses, permits, franchises, trade names, logos, service marks, service contracts, management agreements, telephone numbers, advertising materials, warranties, guarantees, tenant lists, engineering, environmental, marketing and similar studies and appraisals for the Property and all other documents and items relating to the operation of the Property, and all leases and lease guarantees with respect to any part of the Property, and all rents, issues and profits arising out of the operation, use or occupancy of the Property.

All of Trustor's interest in all utility security deposits or bonds for the Property and all security deposits, bonds or other security delivered to any Governmental Authority in connection with the use, development or operation of the Property.

All of Trustor's books and records relating to the use, operation and occupation of the buildings and the Property including, without limitation, the books and

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records relating to the operation of Trustor's business therein, and the plans and specifications for the construction or reconstruction thereof.

If the Property is now or hereafter used in whole or in part as a hotel, motel or similar facility or as a restaurant or other food and/or beverage service facility, such personal property shall also include all licenses for the serving of alcoholic beverages at the Property and all lodging and food and/or beverage equipment including, without limitation, beds, bureaus, divans, couches, chinaware, linens, glassware, silverware, uniforms, ornaments, kitchen utensils, bars, bar fixtures, radios, televisions, electric equipment, lamps, mirrors, and other personal property and fixtures used now or hereafter in on or about the operation, use and occupation of a lodging facility and/or food and/or beverage facility, on the Property.

Such security interest shall extend to and include as well as any and all cash and non-cash proceeds, insurance proceeds and condemnation proceeds of such fixtures and personal property and any and all subsequently acquired fixtures and personal property by way of replacement, substitution, addition or otherwise and the proceeds thereof.

Such security interest shall not extend to property owned by third party space tenants now or hereafter occupying the Property.