

When Recorded Return to: Allison Harrison
First American Title Insurance Company National Commercial Services
401 E. Pratt Street, Suite 323, Baltimore, MD 21202
NCS – 870135 – MD61

When Recorded Return To:

Manufacturers and Traders Trust Company
25 South Charles Street, 17th Floor, MD2-CS64
Baltimore, Maryland 21201
Attn: Commercial Real Estate Division

Tax Parcel ID Nos: 54-322-0001 54-322-0008
54-322-0002 54-322-0009
54-322-0003
54-322-0004
54-322-0005
54-322-0006
54-322-0007

DEED OF TRUST, ASSIGNMENT, FIXTURE FILING AND SECURITY AGREEMENT

by

VALLEY GROVE VII, LLC
VALLEY GROVE VI, LLC
VALLEY GROVE VIII, LLC
VALLEY GROVE, LLC
and **VALLEY GROVE IX, LLC,**
each a Maryland limited liability company,
as Trustor

to and in favor of

FIRST AMERICAN TITLE INSURANCE COMPANY,
as Trustee,

and

MANUFACTURERS AND TRADERS TRUST COMPANY,
a New York banking corporation,
as Beneficiary

This document constitutes a security agreement and financing statement (Fixture Filing) under the Utah Uniform Commercial Code and is to be filed in the office where a mortgage on the Real Property would be recorded which is the office of the Recorder of Utah County, Utah.

Trustor is the record owner of the Property.

Valley Grove VI, LLC Organizational Identification Number in Maryland is W18341313
Valley Grove VII, LLC Organizational Identification Number in Maryland is W18341339
Valley Grove VIII, LLC Organizational Identification Number in Maryland is W17309287
Valley Grove IX, LLC Organizational Identification Number in Maryland is W17309303
Valley Grove, LLC Organizational Identification Number in Maryland is W05083373

Valley Grove VI, LLC Organizational Identification Number in Utah is 10623269-0161
Valley Grove VII, LLC Organizational Identification Number in Utah is 10623272-0161
Valley Grove VIII, LLC Organizational Identification Number in Utah is 10623278-0161
Valley Grove IX, LLC Organizational Identification Number in Utah is 10623280-0161
Valley Grove, LLC Organizational Identification Number in Utah is 9411868-0161

This Deed of Trust constitutes a "Construction Mortgage" within the meaning of *Utah Code Annotated* Section 70A-9a-334(8) or any successor statute. The proceeds of the loan secured by this Deed of Trust are to be used by the Trustor in part for the purpose of funding the construction and development of the Property described herein and are to be disbursed in accordance with the provisions of the Financing Documents (as hereinafter defined).

**DEED OF TRUST,
ASSIGNMENT, FIXTURE FILING AND SECURITY AGREEMENT**
(Lot 7 Construction Loan)

THIS DEED OF TRUST, ASSIGNMENT, FIXTURE FILING AND SECURITY AGREEMENT is made this 15th day of December, 2017, by **VALLEY GROVE VII, LLC**, a Maryland limited liability company (the "**Borrower**") and **VALLEY GROVE, LLC, VALLEY GROVE VI, LLC, VALLEY GROVE VIII, LLC, and VALLEY GROVE IX, LLC**, each a Maryland limited liability company, (individually and collectively, the "**Additional Owner**"; the Borrower and the Additional Owner are individually and collectively, the "**Trustor**") to **FIRST AMERICAN TITLE INSURANCE COMPANY**, as trustee (the "**Trustee**") and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a New York banking corporation, its successors and assigns (the "**Lender**").

RECITALS

1. The Borrower has requested that the Lender make a loan (herein referred to as the "**Loan**") to the Borrower in the principal amount of \$2,070,000. The Loan will be evidenced by the Borrower's Promissory Note of even date herewith (herein referred to as the "**Note**").

2. As a condition precedent to making the Loan to the Borrower, the Lender requires that the Trustor secure the payment and performance of all obligations of the Borrower arising out of, or in connection with, the Loan, by the execution of this Deed of Trust, Assignment, Fixture Filing and Security Agreement.

NOW THEREFORE, in order to induce the Lender to make the Loan to the Borrower, the Trustor agrees as follows:

Article I. Definitions, Rules of Construction.

Section 1.01. Definitions. As used in this Deed of Trust, Assignment, Fixture Filing and Security Agreement, the terms defined in the Preamble and Recitals hereto shall have the respective meanings specified therein, and the following terms shall have the meanings indicated:

"**Accounts**" means all accounts of the Trustor within the meaning of the Uniform Commercial Code of the State derived from or arising out of the use, occupancy or enjoyment of the Property or for services rendered therein or thereon.

"**Acquisition Loan**" means the \$3,900,000 acquisition loan made by the Lender to Valley Grove, LLC, Edward St. John, LLC, and Edward A. St. John to finance the acquisition of the Land.

"**Additions**" means any and all alterations, additions, accessions and improvements to property, substitutions therefor, and renewals and replacements thereof.

"Assignment of Leases" means the Assignment of Lessor's Interest in Leases of even date hereof executed by the Trustor for the benefit of the Beneficiary to further secure the Obligations, as the same may from time to time be extended, amended, restated or otherwise modified.

"Beneficiary" means the Lender and its successors and assigns.

"Casualty" means any act or occurrence of any kind or nature that results in damage, loss or destruction to the Property.

"Claim" means any liability, suit, action, claim, demand, loss, expense, penalty, fine, judgment or other cost of any kind or nature whatsoever, including without limitation, fees, costs and expenses of attorneys, consultants, contractors and experts.

"Companion Loans" means, individually and collectively, the Existing Companion Loans and Future Companion Loans.

"Condemnation" means any taking of title, of use, or of any other property interest under the exercise of the power of eminent domain, whether temporarily or permanently, by any Governmental Authority or by any Person acting under Governmental Authority.

"Condemnation Awards" means any and all judgments, awards of damages (including, but not limited to, severance and consequential damages), payments, proceeds, settlements, amounts paid for a taking in lieu of Condemnation, or other compensation heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, or in connection with, any Condemnation or threatened Condemnation.

"Contracts of Sale" means any contracts for the sale of all or any part of the Property or any interest therein, whether now or hereafter executed, including, without limitation, all of the Proceeds thereof, any funds deposited thereunder to secure performance by the purchasers of their obligations and the right, after the occurrence of an Event of Default, to receive and collect all payments due under any contracts of sale.

"Deed of Trust" means this Deed of Trust, Assignment, Fixture Filing and Security Agreement executed by the Trustor for the benefit of the Beneficiary, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Default" means an event which, with the giving of Notice or lapse of time, or both, could or would constitute an Event of Default under the provisions of this Deed of Trust.

"Encumbrance" means any Lien, easement, right of way, roadway (public or private), common area, condominium regime, cooperative housing regime, restrictive covenant, Lease or other matter of any nature that would affect title to the Property.

"Environmental Assessment" means a report of an environmental assessment of the Property of such scope (including but not limited to the taking of soil borings and air and groundwater samples and other above and below ground testing) as the Beneficiary may request, prepared by a recognized environmental consulting firm acceptable to the Beneficiary in all respects and sufficient in detail to comply with the Beneficiary's established guidelines and the guidelines of any appropriate Governmental Authority.

"Environmental Requirement" means any Law or other agreement or restriction, whether public or private (including but not limited to any condition or requirement imposed by any insurer or surety company), now existing or hereafter created, issued or enacted and all amendments thereto, modifications thereof and substitutions therefor, which in any way pertains to human health, safety or welfare, Hazardous Materials, Hazardous Materials Contamination or the environment (including but not limited to ground, air, water or noise pollution or contamination, and underground or above ground tanks) and shall include without limitation, the Resource Conservation and Recovery Act (the "**Solid Waste Disposal Act**"), 42 U.S.C. § 6901 *et seq.*; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 *et seq.* ("**CERCLA**"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("**SARA**"); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*; the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; and the Safe Drinking Water Act, 42 U.S.C. § 300f *et seq.*, each as amended from time to time, and any corresponding state and local laws, statutes, rules, ordinances, regulations, codes, licenses, authorizations, decisions, injunctions, interpretations, orders or decrees of any court or other Governmental Authority.

"Equipment" means all building materials, fixtures, equipment and other tangible personal property of every kind and nature whatsoever (other than consumable goods, and trade fixtures or other personal property owned by tenants occupying the Improvements), now or hereafter located or contained in or upon, or attached to, the Real Property, whether now owned or hereafter acquired by the Trustor; together with all Additions to the Equipment and Proceeds thereof.

"Event of Default" means the occurrence of any one or more of the events specified in Article VI of this Deed of Trust and the continuance of such event beyond the applicable cure periods, if any, set forth in Article VI.

"Existing Companion Loans" means the Acquisition Loan, the Land Development Loan, the Lot 8 Construction Loan and the Lot 9 Construction Loan.

"Expenses" means all reasonable 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 the Beneficiary or the Trustee in exercising or enforcing any rights, powers and remedies provided in this Deed of Trust or any of the other Financing Documents, including, without limitation, attorneys' fees, court costs, receivers' fees, management fees and costs incurred in the repair, maintenance and operation of, or taking possession of, or selling, the Property.

"Financing Documents" means this Deed of Trust, the Note, the Loan Agreement, the Guaranties, the Assignment of Leases, the Hazardous Materials Indemnification and any and all other documents which any Trustor, the Guarantors, or any other party or parties have executed and delivered, or may hereafter execute and deliver, to evidence, secure or guarantee the Obligations, or any part thereof, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Future Companion Loans" means certain construction loans to be made by the Lender to the Trustor, or certain other affiliated parties, in connection with the construction of additional improvements on the Land.

"Governmental Authority" means any governmental or quasi-governmental entity, including, without limitation, any department, commission, board, bureau, agency, administration, service or other instrumentality of any governmental entity.

"Guarantors" means the Additional Owner, the LLC Guarantor and the Individual Guarantor and their respective heirs, personal representatives, successors and assigns.

"Guaranties" means collectively the Guaranties of Payment and the Guaranty of Completion.

"Guaranty of Payment" means the Guaranty of Payment of even date herewith executed by the Guarantors for the benefit of the, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Guaranty of Completion" means the Guaranty of Completion of even date herewith executed by the Guarantors for the benefit of the Lender, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Hazardous Materials" means any and all hazardous or toxic substances, wastes or materials which, because of their quantity, concentration, or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard or nuisance to human health, safety or welfare or to the environment when used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled, including without limitation, any substance, waste or material which is or contains asbestos, radon, polychlorinated biphenyls, urea formaldehyde, explosives, radioactive materials or petroleum products; provided, however, that the term "Hazardous Materials" shall not be deemed to include minimal quantities of substances on the Property which technically could be considered Hazardous Materials, but which are of a type, and are held only in a quantity, normally used in connection with the construction, occupancy or operation of commercial buildings (such as cleaning fluids and supplies normally used in the day-to-day operation of business offices), and which are being held, stored and used in complete and strict compliance with all applicable Environmental Requirements.

"Hazardous Materials Contamination" means the contamination (whether presently existing or occurring after the date of this Deed of Trust) of the Improvements, facilities, soil, ground water, air or other elements on, in or constituting a part of, the Property by Hazardous Materials, or the contamination of the buildings, facilities, soil,

ground water, air or other elements on, in or constituting a part of, any other property as a result of Hazardous Materials at any time (whether before or after the date of this Deed of Trust) emanating from the Property.

"Hazardous Materials Indemnification" means the Hazardous Materials Indemnification Agreement of even date hereof executed by the Borrower and the Guarantors for the benefit of the Beneficiary, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified. The Hazardous Materials Indemnification Agreement is one of the Financing Documents, but this Deed of Trust does not secure the obligations of the Borrower and the Guarantors under the Hazardous Materials Indemnification Agreement.

"Improvements" means all buildings, structures and other improvements now or hereafter existing, erected or placed on the Land, or in any way used in connection with the use, enjoyment, occupancy or operation of the Land.

"Individual Guarantor" means Edward A. St. John, a Maryland resident, and his heirs, personal representatives, successors and assigns.

"Land" means the land described in Exhibit A-1 and Exhibit A-2 attached hereto, together with (a) all estates, title interests, title reversion rights, increases, issues, profits, rights of way or uses, additions, accretions, servitudes, gaps, gores, liberties, privileges, water rights, water courses, alleys, streets, passages, ways, vaults, licenses, tenements, franchises, hereditaments, appurtenances, easements and other rights, now or hereafter owned by the Trustor and belonging or appertaining to the Land, (b) all Claims whatsoever of the Trustor with respect to the Land, either in law or in equity, in possession or in expectancy, and (c) all estate, right, title and interest of the Trustor in and to all streets, roads and public places, opened or proposed, now or hereafter adjoining or appertaining to, the Land.

"Land Development Loan" means a \$1,579,500 land development loan made by the Lender to Valley Grove, LLC, Edward St. John, LLC, and Edward A. St. John to finance the development of the Land, or a portion thereof, by clearing and grading and the installation of, among other things, sediment controls, electric lines, water and sewer lines, curbs and paved roads construction of certain manufacturing/industrial/warehouse/flex buildings thereon.

"Laws" means federal, state and local laws, statutes, rules, ordinances, regulations, codes, licenses, authorizations, decisions, injunctions, interpretations, orders or decrees of any court or other Governmental Authority having jurisdiction as may be in effect from time to time.

"Leases" means all leases, license agreements and other occupancy or use agreements (whether oral or written), now or hereafter existing, which cover or relate to the Property, together with all options therefor, amendments thereto and renewals, modifications and guarantees thereof, including, without limitation, any cash or securities deposited under the Leases to secure performance by the tenants of their obligations under the Leases, whether such

cash or securities are to be held until the expiration of the terms of the Leases or applied to one or more of the installments of rent coming due.

"**Lien**" means any mortgage, deed of trust, pledge, security interest, assignment, judgment, lien or charge of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code of any jurisdiction.

"**LLC Guarantor**" means the Edward St. John, LLC, a Delaware limited liability company, and its successors and assigns.

"**Loan Agreement**" means the Building Loan Agreement of even date hereof between the Borrower and the Lender which sets forth, among other things, the terms and conditions upon which the Loan proceeds will be disbursed, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"**Lot 8 Construction Loan**" means the \$4,200,000 construction loan made by the Lender to Valley Grove VIII, LLC and Edward St. John, LLC to finance the development of a portion of the Additional Premises known as Lot 8 in Section One of Phase One of Pleasant Grove Business Park and the construction thereon of a single-story office building to be known as Building A.

"**Lot 9 Construction Loan**" means the \$3,845,000 construction loan made by the Lender to Valley Grove IX, LLC and Edward St. John, LLC to finance the development of a portion of the Additional Premises known as Lot 9 in Section One of Phase One of Pleasant Grove Business Park and the construction thereon of a single-story office building to be known as Building B.

"**Net Proceeds**", when used with respect to any Condemnation Awards or insurance proceeds allocable to the Property, means the gross proceeds from any Casualty or Condemnation remaining after payment of all expenses (including attorneys' fees) incurred in the collection of such gross proceeds.

"**Notice**" means a written communication delivered by hand, or sent by overnight courier, or by certified or registered mail, postage prepaid, return receipt requested, to the Person to whom such communication is to be given, at the following addresses:

Lender: 25 South Charles Street, 17th Floor, MD2-CS64
Baltimore, Maryland 21201
Attn: Commercial Real Estate Division

Trustor: c/o St. John Properties, Inc.
2560 Lord Baltimore Drive
Baltimore, Maryland 21244
Attn: Lawrence F. Maykrantz

With a copy to: DLA Piper LLP

The Marbury Building
 6225 Smith Avenue
 Baltimore, Maryland 21209
 Attn: Pamela McDade Johnson, Esq.

Trustee: First American Title Insurance Company
 215 South State Street, Suite 380
 Salt Lake City, UT 84111

or at such other address as any party shall have notified the others of in the manner set forth in this definition.

"Obligations" means all present and future debts, obligations and liabilities of the Borrower to the Beneficiary and the Trustee arising pursuant to, and/or on account of, the provisions of this Deed of Trust, the Note and any of the other Financing Documents, including, without limitation, the obligations to (a) pay all principal (including, without limitation, any principal advanced after the date of this Deed of Trust and any principal that is repaid and readvanced), interest, late charges and prepayment premiums (if any) due at any time under the Note, and (b) pay all Expenses, indemnification payments and other sums due at any time under this Deed of Trust together with interest thereon as provided in Section 4.19, and (c) perform, observe and comply with all of the terms, covenants and conditions, expressed or implied, which the Borrower and/or any other Person are required by this Deed of Trust and any of the other Financing Documents, to perform, observe or comply with.

"Permitted Encumbrances" means (a) the Encumbrances set forth in the Commitment for Title Insurance No. NCS-870144-MD61 issued on September 8, 2017 by First American Title Insurance Company as updated to the date of this Deed of Trust, (b) this Deed of Trust, (c) any liens on the Property in favor of Beneficiary in connection with one or more of the Companion Loans, (d) any Leases so long as such Leases are subject and subordinate to this Deed of Trust, and (e) liens for Property Assessments which are either (i) not delinquent, or (ii) being contested in accordance with the provisions of Section 4.20.

"Person" means an individual, a corporation, a partnership, a limited liability company, a joint venture, a trust, an unincorporated association, any Governmental Authority or any other entity.

"Personalty" means all of the Trustor's interest in personal property of any kind or nature whatsoever, whether tangible or intangible and whether now owned or hereafter acquired, which is used in the construction of, or is placed upon, or is derived from or used in connection with the maintenance, use, occupancy or enjoyment of, the Property, including, without limitation, (a) the Equipment, (b) the Accounts, (c) any franchise or license agreements and management agreements entered into with respect to the Property or the business conducted therein (provided all of such agreements shall be subordinate to this Deed of Trust, and the Beneficiary shall have no responsibility for the performance of the Trustor's obligations thereunder), and (d) all plans and specifications, contracts and subcontracts for the construction or repair of the Improvements, sewer and water taps, allocations and agreements for utilities, bonds, permits, licenses, guarantees, warranties, causes of action, judgments, Claims, profits,

security deposits, utility deposits, refunds of fees or deposits paid to any Governmental Authority, letters of credit and policies of insurance; together with all Additions to the Personalty and Proceeds thereof.

"Proceeds," when used with respect to any of the collateral described in this Deed of Trust, means all proceeds within the meaning of the Uniform Commercial Code of the State and shall also include the proceeds of any and all insurance policies.

"Property" means the Land, the Improvements and the Personalty, and all Additions to, and Proceeds of, all of the foregoing.

"Property Assessments" means all taxes, payments in lieu of taxes, water rents, sewer rents, assessments, condominium charges, maintenance charges and other governmental or municipal or public or private dues, charges and levies and any Liens (including federal tax liens) which are or may be levied, imposed or assessed upon the Property or any part thereof, or upon any Leases or any Rents, whether levied directly or indirectly or as excise taxes, as income taxes, or otherwise.

"Real Property" means the Land and the Improvements, and all Additions to, and Proceeds of, each of the foregoing.

"Reimbursement Rate" means a floating rate of interest equal at all times to the greater of (a) 3% per annum in excess of the floating and fluctuating per annum prime rate of interest of the Beneficiary, as established and declared by the Beneficiary at any time or from time to time (such prime rate does not necessarily represent the lowest rate of interest charged by the Beneficiary to borrowers of the Beneficiary), or (b) 3% per annum in excess of the interest rate set forth in the Note.

"Rents" means all of the rents, royalties, issues, profits, revenues, earnings, income and other benefits of the Property, or arising from the use or enjoyment of the Property, or from any Lease or other use or occupancy agreement pertaining to the Property.

"State" means the State of Utah.

"Taxes" means all taxes and assessments whether general or special, ordinary or extraordinary, or foreseen or unforeseen, which at any time may be assessed, levied, confirmed or imposed on the Trustor or on any of its properties or assets or any part thereof or in respect of any of its franchises, businesses, income or profits.

"Transfer" means any direct or indirect sale, assignment, conveyance or transfer, including, without limitation, any contract or agreement to sell, assign, convey or transfer, whether made with or without consideration.

"Trustee" means the Trustee or its successors in trust who may be acting under and pursuant to this Deed of Trust from time to time.

"UCA" means the Utah Code Annotated, as amended from time to time.

Section 1.02. Rules of Construction. The words "hereof", "herein", "hereunder", "hereto", and other words of similar import refer to this Deed of Trust in its entirety. The terms "agree" and "agreements" mean and include "covenant" and "covenants". The headings of this Deed of Trust are for convenience only and shall not define or limit the provisions hereof. All references (a) made in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (b) made in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, (c) to the Land, Improvements, Personalty, Real Property or Property shall mean all or any portion of each of the foregoing, respectively, and (d) to Section numbers are to the respective Sections contained in this Deed of Trust unless expressly indicated otherwise. The Trustee or the Beneficiary may release, compromise, modify or settle with the Trustor, in whole or in part, without impairing, lessening or affecting the obligations and liabilities of the others of the Trustor hereunder. Any of the aforementioned acts may be done without the approval or consent of, or notice to, any Trustor. All references to Article 9 of the Uniform Commercial Code of the State of Utah shall be deemed to refer to Article 9a thereof.

Article II. Granting Clauses; Condition of Grant. In order to secure the prompt payment and performance of the Obligations, the Trustor (a) grants, bargains, sells and conveys, with power of sale, the Real Property unto the Trustee in trust for the benefit of the Beneficiary, to have and to hold the Real Property unto the Trustee in fee simple forever; provided that, the Trustor may retain possession of the Real Property until the occurrence of an Event of Default; (b) grants, with power of sale, the Beneficiary a lien on, and security interest in, the Personalty; (c) unconditionally and absolutely assigns the Leases and Rents to the Beneficiary (but subject to Section 4.14 (b)); (d) assigns to, and grants the Beneficiary a security interest in, any Contracts of Sale; and (e) assigns to the Beneficiary all Condemnation Awards and any insurance proceeds payable with respect to any Casualty. If and when the Trustor has paid and performed all of the Obligations, and no further advances are to be made under the Loan Agreement, the Trustee, upon request by the Beneficiary, will provide a release of this Deed of Trust to the Trustor. The Trustor shall be responsible for the recordation of such release and payment of any recording costs.

Article III. Representations and Warranties. Each Trustor makes the following representations and warranties to the Beneficiary:

Section 3.01. Organization, Power and Authority of the Trustor; Financing Documents. Each Trustor (a) is a limited liability company duly formed, existing and in good standing under the laws of the state in which it is organized, and is duly qualified to do business and is in good standing in the State, and (b) has the power, authority and legal right to own its property and carry on the business now being conducted by it and to engage in the transactions contemplated by the Financing Documents. The execution and delivery of, and the carrying out of the transactions contemplated by, the Financing Documents executed by the Trustor, and the performance and observance of the terms and conditions of such Financing Documents, have been duly authorized by all necessary action of the Trustor. The Financing Documents to which the Trustor is a party constitute the valid and legally binding obligations of the Trustor and are fully enforceable against the Trustor in accordance with their respective terms.

Section 3.02. Other Documents; Laws. The execution and performance of the Financing Documents executed by the Trustor and the consummation of the transactions contemplated thereby will not conflict with, result in any breach of, or constitute a default under, the operating agreement of the Trustor, or any contract, agreement, document or other instrument to which the Trustor is a party or by which the Trustor may be bound or affected, and do not and will not violate or contravene any Law to which the Trustor is subject.

Section 3.03. Taxes. The Trustor has filed all federal, state, county and municipal Tax returns required to have been filed by the Trustor and has paid all Taxes (or payments in lieu of Taxes) which have become due pursuant to such returns or pursuant to any Tax assessments received by the Trustor.

Section 3.04. Legal Actions. There are no (a) Claims pending or, to the best of the Trustor's knowledge and belief, threatened, against or affecting the Trustor, the Trustor's business or the Property, or (b) investigations at law or in equity, before or by any court or Governmental Authority, pending or, to the best of the Trustor's knowledge and belief, threatened, against or affecting the Trustor, the Trustor's business or the Property. The Trustor is not in default with respect to any order, writ, injunction, decree or demand of any court or any Governmental Authority affecting the Trustor or the Property.

Section 3.05. Nature of Loan; Usury; Disclosures. The Trustor and Edward St. John, LLC are each a business or commercial organization, and the Loan is being made solely for the purpose of carrying on or acquiring a business or commercial enterprise. The rate of interest charged on the Loan does not, and will not, violate any usury Law or interest rate limitation. The Loan is not subject to the federal Consumer Credit Protection Act (15 U.S.C. §1601 et. seq.) nor any other federal or state disclosure or consumer protection laws. The Trustor represents and warrants that this Deed of Trust is supported by valuable consideration and the Trustor will benefit from the making of this Loan.

Section 3.06. Trade Names. The Trustor conducts its business solely under the name set forth in the Preamble to this Deed of Trust and makes use of no trade names in connection therewith, unless such trade names have been previously disclosed to the Beneficiary in writing.

Section 3.07. Warranty of Title. The Trustor is (a) the owner of the fee simple interest in the Real Property, (b) except for the Permitted Encumbrances, the owner of all of the beneficial and/or equitable interest in and to the Real Property, and (c) lawfully seized and possessed of the Real Property. The Trustor has the right and authority to convey the Real Property and does hereby warrant specially, and agrees to defend, the Real Property and the title thereto, whether now owned or hereafter acquired, against all Claims by any Person claiming by, through, or under the Trustor. The Real Property is subject to no Encumbrances other than the Permitted Encumbrances.

Section 3.08. Property Assessments. The Real Property is assessed for purposes of Property Assessments as a separate and distinct parcel from any other property, such that the Real Property shall never become subject to the Lien of any Property Assessments levied or assessed against any property other than the Real Property.

Section 3.09. Independence of the Real Property. No building or other improvements on property not covered by this Deed of Trust rely on the Real Property or any interest therein to fulfill any requirement of any Governmental Authority for the existence of such property, building or improvements; and none of the Real Property relies, or will rely, on any property not covered by this Deed of Trust or any interest therein to fulfill any requirement of any Governmental Authority. The Real Property has been properly subdivided from all other property in accordance with the requirements of any applicable Governmental Authorities.

Section 3.10. Existing Improvements. The existing Improvements, if any, were constructed, and are being maintained, in accordance with all applicable Laws, including, without limitation, zoning Laws.

Section 3.11. Personalty. The Trustor has good title to the Equipment, and the Personalty is not subject to any Encumbrance other than the Permitted Encumbrances.

Section 3.12. Leases, Rents, Contracts of Sale. The Leases, Rents and Contracts of Sale are not subject to any Encumbrance other than the Permitted Encumbrances.

Section 3.13. Presence of Hazardous Materials or Contamination; Compliance With Environmental Requirements. To the best of the Trustor's knowledge and belief and except as otherwise set forth in the Report (as defined in the Hazardous Materials Indemnification), (a) no Hazardous Materials are currently located on the Property, nor is the Property affected by any Hazardous Materials Contamination, (b) the Property has never been used as a manufacturing, storage, treatment, processing, recycling or disposal site for Hazardous Materials, and (c) no property in the vicinity of the Real Property has ever been used as a manufacturing, storage, treatment, processing, recycling or disposal site for Hazardous Materials, nor is any such property affected by Hazardous Materials Contamination. The present condition and uses of, and activities on, the Property do not violate any Environmental Requirement and the uses of the Property which the Trustor and each tenant and subtenant, if any, intend in the future to make of the Property comply and will comply with all applicable Environmental Requirements. The Trustor has received no notice, and is not aware, of any Claim involving a violation of any Environmental Requirement with respect to the Property or any parcel in the vicinity of the Real Property or any operation conducted on the Property or on any parcel in the vicinity of the Real Property. The Trustor has received no notice, and is not aware, of any Claim from the United States Environmental Protection Agency or the Utah Department of Environmental Quality advising such Trustor of any potential liability to such Trustor under the CERCLA, as amended, or any other similar Environmental Requirements concerning the Property. The Trustor is not a party to any pending environmental litigation affecting the Property and to the best of such Obligor's knowledge and belief, there is no pending or threatened environmental litigation that would materially and adversely affect the Property. There is no Environmental Requirement which requires any work, repair, construction, capital expenditure, or other remedial work of any nature whatsoever to be undertaken with respect to the Property.

Section 3.14. Financial Statements. The financial statements heretofore delivered by the Trustor and any other party or parties to the Beneficiary are true and correct in all material respects, have been prepared in accordance with generally accepted accounting principles

consistently applied, and fairly present the respective financial conditions of the subjects thereof as of the respective dates thereof. No material adverse change has occurred in the financial conditions reflected therein since the respective dates thereof and no material additional liabilities have been incurred by the Trustor or any such other party or parties since the date thereof other than the borrowings contemplated herein or as approved in writing by the Beneficiary.

Article IV. Affirmative Covenants.

Section 4.01. Obligations. The Trustor agrees to promptly pay and/or perform or cause to be paid and/or performed all of the Obligations, time being of the essence in each case.

Section 4.02. Insurance. The Trustor shall maintain the following insurance at its sole cost and expense:

(a) Insurance against Casualty to the Property under a policy or policies covering such risks as are ordinarily insured against by similar businesses, but in any event including fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, smoke, vandalism and malicious mischief. Unless otherwise agreed in writing by the Beneficiary, such insurance shall be for the full insurable value of the Property. The deductible amount under such policy or policies shall not exceed \$25,000. No policy of insurance shall be written such that the proceeds thereof will produce less than the minimum coverage required by this Section by reason of co-insurance provisions or otherwise. The term "full insurable value" means the actual replacement cost of the Property (excluding foundation and excavation costs and costs of underground flues, pipes, drains and other uninsurable items). The "full insurable value" shall be determined from time to time at the request of the Beneficiary (but not more frequently than once every three (3) years) by an appraiser or appraisal company or one of the insurers, who shall be selected and paid for by the Trustor but subject to the Beneficiary's approval.

(b) Comprehensive general public liability insurance for injuries to Persons and damage to property, in limits of not less than \$1,000,000 for any one occurrence and \$3,000,000 for the aggregate of all occurrences during any given annual policy period, together with an "umbrella policy" with minimum aggregate coverage of \$5,000,000. Such insurance shall name the Beneficiary as an additional insured.

(c) Workers' compensation insurance for all employees of the Trustor in such amount as is required by Law.

(d) During any period of construction upon the Property, the Trustor shall maintain, or cause others to maintain, builder's risk insurance (non-reporting form) of the type customarily carried in the case of similar construction for the full replacement cost of work in place and materials stored at or upon the Property.

(e) If at any time the Property is in an area that has been identified as having special flood and mudslide hazards, and flood insurance is available in such area, the Trustor shall purchase and maintain a flood insurance policy in form and amount acceptable to

the Beneficiary. In the event that the Property is not in an area having special flood and mudslide hazards, the Trustor shall deliver to the Beneficiary upon request evidence satisfactory to the Beneficiary stating that the Property is not in such a flood or mudslide hazard area.

(f) If requested by the Beneficiary, business interruption insurance in an amount acceptable to the Beneficiary.

(g) The Trustor will obtain and keep in force such other and further insurance as may be required from time to time by the Beneficiary in order to comply with regular requirements and practices of the Beneficiary in similar transactions.

Each policy of insurance shall (i) be issued by one or more recognized, financially sound and responsible insurance companies approved by the Beneficiary and which are qualified or authorized by the Laws of the State to assume the risks covered by such policy, (ii) with respect to the insurance described under the preceding subsections (a), (d), (e) and (f), have attached thereto standard non-contributing, non-reporting mortgagee clauses in favor of and entitling the Beneficiary without contribution to collect any and all proceeds payable under such insurance, (iii) provide that such policy shall not be cancelled or modified without at least thirty (30) days prior written notice to the Beneficiary, and (iv) provide that any loss otherwise payable thereunder shall be payable notwithstanding any act or negligence of the Trustor which might, absent such agreement, result in a forfeiture of all or a part of such insurance payment. Unless an escrow account has been established for insurance premiums pursuant to Section 4.05, the Trustor shall promptly pay all premiums when due on such insurance and, not less than thirty (30) days prior to the expiration dates of each such policy, the Trustor will deliver to the Beneficiary a renewal policy or policies marked "premium paid" or accompanied by other evidence of payment satisfactory to the Beneficiary. The Trustor will immediately give the Beneficiary Notice of any cancellation of, or change in, any insurance policy. The Beneficiary shall not, because of accepting, rejecting, approving or obtaining insurance, incur any liability for (i) the existence, nonexistence, form or legal sufficiency thereof, (ii) the solvency of any insurer, or (iii) the payment of losses.

Section 4.03. Adjustment of Condemnation and Insurance Claims. The Trustor shall give prompt Notice to the Beneficiary of any Casualty or any Condemnation or threatened Condemnation. The Trustor agrees to promptly pursue the settlement and compromise of the Claim subject to the Beneficiary's approval which will not be unreasonably withheld or delayed. If, prior to the receipt by the Beneficiary of any Condemnation Award or insurance proceeds, the Property shall have been sold pursuant to the provisions of Section 7.02, the Beneficiary shall have the right to receive such funds to the extent (a) of any deficiency found to be due upon such sale with interest thereon (whether or not a deficiency judgment on this Deed of Trust shall have been sought or recovered or denied), and (b) necessary to reimburse the Beneficiary for its Expenses. The Trustor agrees to execute and deliver from time to time, upon the request of the Beneficiary, such further instruments or documents as may be requested by the Beneficiary to confirm the grant and assignment to the Beneficiary of any Condemnation Awards or insurance proceeds.

Section 4.04. Application of Net Proceeds. Net Proceeds must be applied to either (a) the payment of the Obligations, or (b) the restoration of the Property. If an Event of

Default has occurred, the Beneficiary shall determine, in its sole discretion, the manner in which Net Proceeds are to be applied. If no Event of Default has occurred, the Trustor shall determine the manner in which Net Proceeds are to be applied. In the event that, and to the extent that, Net Proceeds are to be applied to the restoration of the Property, each of the following conditions must also be met and complied with:

(a) An escrow account shall have been established with the Beneficiary composed of Net Proceeds, and, if necessary, additional deposits made by the Trustor, which, in the sole judgment of the Beneficiary, is sufficient to restore the Property to its use, value and condition immediately prior to the Casualty or Condemnation. The Beneficiary shall be entitled, at the expense of the Trustor, to consult such professionals as the Beneficiary may deem necessary, in its sole discretion, to determine the total costs of restoring the Property. The Trustor hereby assigns to, and grants the Beneficiary a security interest in, such escrow account and the funds therein to secure the payment and performance of the Obligations.

(b) All Leases must continue in full force and effect (subject to rent abatement during restoration as may be provided in the Leases) or, if terminated, the terminated Leases must be replaced with Leases of equal quality in the reasonable judgment of the Beneficiary. Any tenant having the right to terminate its Lease due to the Casualty or Condemnation, and which has not exercised that right, shall have confirmed in writing to the Beneficiary its irrevocable waiver of such termination right.

(c) Proceeds from rental loss or business interruption insurance, or both, or other moneys of the Trustor, must be available to the Trustor in such amounts as the Beneficiary, in its reasonable judgment, considers sufficient to pay the debt service under the Note, and all Property Assessments, insurance premiums and other sums becoming due from the Trustor pursuant to this Deed of Trust and the Note during the time required for restoration.

(d) All restoration will be conducted under the supervision of an architect or engineer, or both, selected and paid for by the Trustor and approved in advance by the Beneficiary, and by a general contractor who shall be approved by the Beneficiary and shall have executed a fixed price contract.

(e) The restoration will be performed pursuant to plans and specifications approved by the Beneficiary.

(f) If required by the Beneficiary at its sole option, the contractor or contractors responsible for the restoration shall have obtained payment and performance bonds from a corporate surety acceptable to the Beneficiary and naming the Beneficiary as dual obligee.

(g) The Guaranties shall remain in full force and effect and the Guarantors shall so confirm to the Beneficiary.

(h) The Trustor shall have provided the Beneficiary with satisfactory evidence that there has been no adverse change in the economic viability of the Property since the date of this Deed of Trust, such evidence to include, among other things, an appraisal and

market study prepared by a firm or firms acceptable to the Beneficiary, but at the Trustor's expense.

If any of the foregoing conditions are not satisfied, the Beneficiary may, in its sole discretion, apply Net Proceeds to the payment of the Obligations.

If applied to restoration, Net Proceeds (and any other funds required to be deposited with the Beneficiary) shall be disbursed from time to time in accordance with the terms and conditions of the construction loan agreement most commonly used by the Beneficiary at the time of the Casualty or Condemnation for major commercial construction loans, and subject also to the following conditions (which shall control in the event of any conflict with the provisions of such construction loan agreement):

(a) Restoration shall commence within thirty (30) days following receipt of the Net Proceeds by the Beneficiary and shall be completed within such time as may be determined by the Beneficiary in view of the extent of the Casualty or Condemnation but, in any event, shall be completed within a reasonable period after the date the Net Proceeds are received.

(b) At the time of each disbursement, no Default shall have occurred.

(c) Restoration shall be performed in accordance with the requirements of Section 5.04.

(d) With respect to each disbursement and accompanying each request therefor, there shall be delivered to the Beneficiary (i) a certificate addressed to the Beneficiary from the architect or engineer supervising the restoration stating that such disbursement is to pay the cost of restoration not paid previously by any prior disbursement, that all restoration completed to the date of such certificate has been completed in accordance with applicable Laws and the approved plans and specifications, and that the amount of such disbursement, together with all other disbursements, does not exceed one hundred percent (100%) of the aggregate of all costs incurred or paid on account of work, labor or services performed on, and materials installed in, the Property at the date of such certificate, and (ii) evidence satisfactory to the Beneficiary that all Claims then existing for labor, services and materials have been paid in full or will be paid in full from the proceeds of the disbursement requested.

(e) The final advance shall be disbursed only upon delivery to the Beneficiary, in addition to the items required in paragraph (d) above, of the following:

(i) Final waivers of Liens from all contractors and subcontractors whose contracts are in excess of \$250,000.

(ii) A certificate by the architect or engineer stating that the restoration has been completed in a good and workmanlike manner, in accordance with the plans and specification approved by the Beneficiary and in accordance with all applicable Laws.

(iii) An estoppel affidavit from each tenant occupying or leasing space in the Property stating that its Lease is in full force and effect.

(f) Immediately upon the occurrence of any Event of Default, the Beneficiary may apply Net Proceeds and any other sums deposited with the Beneficiary to the repayment of the Obligations.

Section 4.05. Property Assessments; Escrow. (a) Unless an escrow account for payment of Property Assessments is created pursuant to subsection (c) below, the Trustor will (i) promptly pay in full and discharge all Property Assessments, and (ii) exhibit to the Beneficiary, upon demand, the receipted bills for such Property Assessments prior to the day upon which the same shall become delinquent. Property Assessments shall be considered delinquent as of the first day any interest or penalties commence to accrue thereon.

(b) In the event of the passage of any Law subsequent to the date of this Deed of Trust in any manner changing or modifying the Laws now in force governing the taxation of deeds of trust or debts secured by deeds of trust or the manner of collecting any such taxes so as to adversely affect the Beneficiary (including, without limitation, a requirement that internal revenue stamps be affixed to this Deed of Trust or any of the other Financing Documents), the Trustor will promptly pay any such tax. If the Trustor fails to make such prompt payment, or if any Law prohibits the Trustor from making such payment or would penalize the Beneficiary if the Trustor makes such payment, then the entire unpaid balance of the Obligations shall, without Notice, immediately become due and payable at the sole option of the Beneficiary. In no event, however, shall any income taxes of the Beneficiary or franchise taxes of the Beneficiary measured by income, or taxes in lieu of such income taxes or franchise taxes, be required to be paid by the Trustor.

(c) At any time and from time to time, following the occurrence of an Event of Default and upon written request of the Beneficiary, the Trustor shall pay to the Beneficiary monthly, on any date selected by the Beneficiary, such amount as the Beneficiary from time to time estimates will generate sufficient funds to pay all Property Assessments and premiums for the insurance required by Section 4.02 prior to the date such Property Assessments or insurance premiums next become due. The Beneficiary's estimates shall be based on the amounts actually payable or, if unknown, on the amounts actually paid for the year preceding that for which such payments are being made. Any deficiencies shall be promptly paid by the Trustor to the Beneficiary on demand. The Trustor shall transmit bills for the Property Assessments and insurance premiums to the Beneficiary as soon as received. When the Beneficiary has received from the Trustor, or on its account, funds sufficient to pay the same, the Beneficiary shall, except as provided below following an Event of Default, pay such bills. Payments for such purposes may be made by the Beneficiary at its discretion even though subsequent owners of the Property may benefit thereby. Upon foreclosure or release of this Deed of Trust or, to the extent permitted by Law, upon the occurrence of an Event of Default, the Beneficiary may apply any sums so deposited to the payment of the Obligations. If from time to time funds are accumulated under the terms of this Section in excess of the amount needed to pay the Property Assessments and such insurance premiums, the Trustor at least annually shall be given the option of (i) receiving a refund of the excess funds, (ii) applying the excess funds to the payment of the Obligations (provided prepayment is then permitted without penalty pursuant

to the Note), or (iii) permitting the excess funds to remain in the escrow account established pursuant to this Section. If the Trustor fails to give Notice to the Beneficiary of its intent with respect to the application of the excess funds as provided in this Section within sixty (60) days from the date the Beneficiary mailed notice of the accumulation of the excess funds, the Beneficiary shall promptly return the excess funds to the Trustor. Within sixty (60) days after receipt from the Trustor of a Notice requesting a refund, the Beneficiary shall also return excess funds to the Trustor.

Section 4.06. Compliance with Laws. The Trustor will comply with and not violate, and cause to be complied with and not violated, all present and future Laws applicable to the Property and its use and operation.

Section 4.07. Maintenance and Repair of the Property. The Trustor, at the Trustor's sole expense, will (a) keep and maintain the Improvements and the Equipment in good condition, working order and repair, and (b) make all necessary or appropriate repairs and Additions to the Improvements and Equipment, so that each part of the Improvements and all of the Equipment shall at all times be in good condition and fit and proper for the respective purposes for which they were originally intended, erected, or installed.

Section 4.08. Additions to Security. All right, title and interest of the Trustor in and to all Improvements and Additions hereafter constructed or placed on the Property and in and to any Equipment hereafter acquired shall, without any further deed of trust, conveyance, assignment or other act by the Trustor, become subject to the Lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by the Trustor and specifically described in the granting clauses hereof. The Trustor agrees, however, to execute and deliver to the Trustee and/or the Beneficiary such further documents as may be required pursuant to Section 9.02.

Section 4.09. Inspection. After reasonable notice from the Beneficiary, the Trustor will permit the Beneficiary, or any Person authorized by the Beneficiary, to enter and make inspections of the Property at all reasonable times and as often as may be requested by the Beneficiary.

Section 4.10. Management. The Trustor at all times shall provide for the competent and responsible management and operation of the Property. Any management contract or contracts affecting the Property must be approved in writing by the Beneficiary prior to the execution of the same, which approval shall not be withheld or delayed unreasonably.

Section 4.11. Books and Records. The Trustor will keep and maintain full and accurate records and books administered in accordance with generally accepted accounting principles, consistently applied, showing in detail the earnings and expenses of the Property and the operation thereof. The Trustor shall permit the Beneficiary, or any Person authorized by the Beneficiary, to inspect and examine such records and books (regardless of where maintained) and all supporting vouchers and data and to make copies and extracts therefrom at all reasonable times and as often as may be requested by the Beneficiary. In addition, the Trustor will furnish or cause to be furnished to the Beneficiary the following financial information at the times indicated:

(a) As soon as available, but in no event later than 180 days after the end of fiscal year of the Trustor, a copy of the Trustor's financial statements for such calendar year, prepared in form and detail satisfactory to the Beneficiary and certified as to accuracy by the chief financial officer of the Trustor, as applicable, which financial statements shall include a balance sheet as of the end of such fiscal year, a profit and loss statement and a cash flow statement (both past and projected for the coming year);

(b) As soon as available, but in no event later than 270 days after the end of fiscal year of the LLC Guarantor and the Individual Guarantor, a copy of each of financial statements for the LLC Guarantor and the Individual Guarantor, for such calendar year, prepared in form and detail satisfactory to the Beneficiary and certified as to accuracy by Edward A. St. John and/or Lawrence F. Maykrantz on behalf of the LLC Guarantor and the Individual Guarantor, which financial statements shall include detailed information on annual cash flow during such calendar year, liquid assets, asset composition (including method of asset valuation), and liabilities (both direct and contingent, including estimated tax liabilities on appreciated assets), together with evidence in form and substance acceptable to the Beneficiary in all respects sufficient to verify the liquidity position of the LLC Guarantor and the Individual Guarantor, including prepared lists of the location and amounts of all liquid assets accompanied by the most recent statements for the appropriate financial institutions;

(c) As soon as available, but in no event more than thirty (30) days after the end of each calendar quarter, a current certified rent roll and rent aging schedule for the Property in form and detail satisfactory to the Beneficiary and certified as to accuracy by the Borrower, (ii) if requested by the Lender, operating statements for the Property as of the close of the most recent calendar quarter and for the period commencing with the first day of the year and ending with such calendar quarter, in form and detail satisfactory to the Lender and certified as to accuracy by the Borrower;

(d) As soon as available, but in no event later than September 30 of each year, a copy of the real estate tax bills for the Property, together with satisfactory evidence of the payment in full of all taxes shown thereon;

(e) If requested by the Beneficiary, within (90) days after the date of filing, the federal and state income tax returns for the Trustor for the year in question as well as any requests for extensions filed in connection therewith, including without limitation, K-1(s) for each partnership entity in which the Trustor maintains an ownership interest; and

(f) If requested by the Beneficiary, within (60) days after the date of filing, the federal and state income tax returns for the Individual Guarantor and the LLC Guarantor for the year in question as well as any requests for extensions filed in connection therewith, including without limitation, K-1(s) for each partnership entity in which the Individual Guarantor and the LLC Guarantor maintains an ownership interest; and

(g) With reasonable promptness, such additional information, reports or statements as the Beneficiary may from time to time reasonably request.

All such financial statements must be in form and detail acceptable to the Beneficiary and certified as to accuracy by the Borrower, the Guarantor or Lawrence F. Maykrantz on behalf of all parties. The Trustor shall provide, upon the Beneficiary's request, convenient facilities for the audit and verification of any such statement.

Section 4.12. Estoppel Certificates. Within ten (10) days after any request by the Beneficiary or a proposed assignee or purchaser of the Loan, the Trustor shall certify in writing to the Beneficiary, or to such proposed assignee or purchaser, the then unpaid balance of the Loan and whether the Trustor has any right of defense or setoff to the payment or performance of any of the Obligations.

Section 4.13. Subrogation. To the extent permitted by Law, the Beneficiary shall be subrogated, notwithstanding its release of record, to any Lien now or hereafter existing on the Property to the extent that such Lien is paid or discharged by the Beneficiary whether or not from the proceeds of the Loan. This Section shall not be deemed or construed, however, to obligate the Beneficiary to pay or discharge any Lien.

Section 4.14. Leases. (a) The Beneficiary shall have the right to approve any Lease executed after the date of this Deed of Trust as to form, content and financial strength of the tenant, which approval shall not be withheld unreasonably. The Beneficiary shall be deemed to have approved any Lease which is on Trustor's standard lease form without material change, with a third party tenant whose creditworthiness has been reasonably approved by the Trustor, provides for annual rent equal to or greater than the Beneficiary's approved proforma rents, does not exceed a term of three (3) years, covers not more than 2,500 square feet, and is subordinate to the Deed of Trust. Any lease in excess of 2,500 square feet meeting the remainder of the aforesaid requirements will be approved if the credit strength of the tenant is acceptable to the Beneficiary. Additionally, the Beneficiary shall be deemed to have approved any Lease if it shall not have approved or disapproved such Lease in writing addressed to the Trustor within ten (10) business days after Beneficiary's receipt of such Lease. If requested, the Beneficiary will execute a subordination, non-disturbance and attornment agreement on the Beneficiary's form with each tenant under a Lease which has been approved or deemed approved as herein provided. All such Leases shall, at the Beneficiary's option, include subordination provisions acceptable to the Beneficiary in its sole and absolute discretion. At any time, within thirty (30) days after Notice from the Beneficiary, the Trustor will deliver to the Beneficiary a written description in such reasonable detail as the Beneficiary may request of all of the Leases, including, without limitation, the names of all tenants, the terms of all Leases and the Rents payable under all Leases, and, on demand, the Trustor will furnish to the Beneficiary fully executed copies of any Leases and such subordination and attornment agreements as the Beneficiary may request. If any Lease provides for the giving by the tenant of certificates with respect to the status of such Lease, the Trustor shall exercise its right to require such certificate within twenty (20) days after any request by the Beneficiary. Within thirty (30) days after any request by the Beneficiary, the Trustor will notify all tenants under existing Leases, and agrees to thereafter notify all tenants under future Leases, that (i) in accordance with UCA 57-26-104 (Utah Uniform Assignment of Rents Act), the Trustor has assigned all Rent to the Beneficiary pursuant to the security interest granted to it hereunder, and (ii) upon Notice from the Beneficiary, the tenant shall pay all unpaid Rent directly to the Beneficiary.

(b) So long as no Event of Default has occurred, the Trustor shall continue to collect upon, but not prior to accrual, the Rents under the Leases and, where applicable, subleases, such Rents to be held in trust for the Beneficiary. Each month, provided no Event of Default has occurred, the Trustor may retain such Rents as were collected that month and held in trust for the Beneficiary. Upon occurrence of an Event of Default, and in accordance with UCA 57-26-104 et al, and following notification to the tenants under the Leases by the Beneficiary or the Trustee that Rents are to be paid to the Beneficiary, all Rents shall be paid directly to the Beneficiary and not through the Trustor. A demand by the Beneficiary on any tenant for the payment of Rent shall be sufficient to warrant such tenant to make future payments of Rent to the Beneficiary without the necessity of further consent by the Trustor.

(c) The Trustor, at its sole cost and expense, will use its best efforts to enforce or secure, or cause to be enforced or secured, the performance of each and every obligation and undertaking of the respective tenants under any Leases and will appear in and defend, at its sole cost and expense, any action or proceeding arising under, or in any manner connected with, such Leases.

(d) The Trustor will not assign the whole or any part of the Leases or Rents without the prior written consent of the Beneficiary, and any assignment without such consent shall be null and void.

(e) The Trustor will promptly perform all of its obligations under any Leases. The Trustor will not, without the prior written consent of the Beneficiary, (i) except in the ordinary course of its business, cancel, terminate, accept a surrender of, reduce the payment of rent under, or accept any prepayment of rent for more than one (1) month in advance under, any Lease, or (ii) permit a Lien on the Property superior to any Lease, other than this Deed of Trust.

(f) If any Leases are subordinate (either by their date, their express terms, or by subsequent agreement of the tenant) to this Deed of Trust, such Leases shall be subject to the condition (and this Deed of Trust so authorizes) that, in the event of any sale of the Property pursuant to the provisions of Section 7.02, the Leases shall, at the sole option of the Beneficiary or any purchaser at such sale, either (i) continue in full force and effect as set forth in the required advertisement of sale, and the tenant or tenants thereunder will, upon request, attorn to and acknowledge in writing the purchaser or purchasers at such sale or sales as landlord thereunder, or (ii) upon notice to such effect from the Beneficiary, the Trustee or any purchaser or purchasers, terminate within ninety (90) days from the date of sale. As to any Lease, neither the Beneficiary nor any purchaser or purchasers at foreclosure shall be bound by any payment of rent for more than one (1) month in advance or by any amendment or modification of the Lease made without the prior written consent of the Beneficiary or, subsequent to a foreclosure sale, such purchaser or purchasers.

(g) Neither the Trustee nor the Beneficiary shall be obligated to perform or discharge any obligation of the Trustor under any Lease. This assignment of the Leases in no manner places on the Beneficiary or the Trustee any responsibility for (i) the control, care, management or repair of the Property, (ii) the carrying out of any of the terms and conditions of the Leases, (iii) any waste committed on the Property, or (iv) any dangerous or

defective condition on the Property (whether known or unknown). The Trustor agrees to indemnify the Trustee and the Beneficiary for, and forever hold them harmless from, any and all Claims arising out of, or in connection with, any Leases or any assignment thereof.

(h) In addition to the general assignment provided for in this Section, the Trustor has executed the Assignment of Leases to secure the Obligations, to which reference is hereby made for the nature and extent of the security afforded thereby, and for the rights of the Beneficiary with respect to such security.

Section 4.15. Contracts of Sale. Each Contract of Sale covering the Property or any portion thereof shall be in form and for a price reasonably approved by the Beneficiary. Following the occurrence of an Event of Default, the Trustor irrevocably authorizes the Beneficiary, at its sole option, to collect, in the name of the Trustor or in its own name as assignee, all payments due or to become due under any Contract of Sale. The Trustor agrees that it will facilitate in every reasonable way the collection by the Beneficiary of such payments, and will, upon written request by the Beneficiary, execute a written notice and deliver the same to each purchaser directing the purchaser to make such payments to the Beneficiary. In no event shall the Beneficiary be accountable for more moneys than it actually receives pursuant to a Contract of Sale, nor shall the Beneficiary be liable for any failure to collect payments under any Contract of Sale. The right to determine the method of collection and the extent to which the enforcement of collection shall be prosecuted is reserved to the sole discretion of the Beneficiary. The Trustor, without the prior written consent of the Beneficiary, will not execute any further assignment of any Contract of Sale or the payments due thereunder. The Trustor shall furnish to the Beneficiary, within ten (10) days after a written request from the Beneficiary, a written certification containing the names of all contract purchasers of the Property and shall attach to such certification a copy of any Contract of Sale. Nothing contained in this Section shall (a) be construed as a consent by the Beneficiary to any Transfer of the Property, or (b) constitute a delegation to the Beneficiary of any of the Trustor's duties or obligations under any Contract of Sale. The Trustor agrees to indemnify the Beneficiary and the Trustee for, and forever hold them harmless from, any Claim arising out of, or in connection with, any Contract of Sale.

Section 4.16. Taxes. The Trustor shall pay and discharge all Taxes prior to the date on which penalties are attached thereto unless and to the extent only that such Taxes are contested in accordance with Section 4.20.

Section 4.17. Hazardous Materials; Contamination. (a) The Trustor agrees to (i) give Notice to the Beneficiary immediately upon the Trustor's acquiring knowledge of the presence of any Hazardous Materials on the Property or of any Hazardous Materials Contamination or of any Claim made or threatened against the Trustor or the Property with respect to any Environmental Requirement with a full description thereof; (ii) at the Trustor's sole cost and expense, promptly comply with any and all Environmental Requirements relating to the Property or such Hazardous Materials or Hazardous Materials Contamination and provide the Beneficiary with satisfactory evidence of such compliance; (iii) provide the Beneficiary, within thirty (30) days after a demand by the Beneficiary, with a bond, letter of credit or similar financial assurance evidencing to the Beneficiary's satisfaction that the necessary funds are available to pay the cost of complying with such Environmental Requirements and removing, treating and disposing of such Hazardous Materials or Hazardous Materials Contamination and discharging

any Lien which may be established on the Property as a result thereof; and (iv) take whatever other action as the Beneficiary may deem necessary or appropriate to restore to the Trustor the full use and benefit of the Property as contemplated by the Financing Documents.

(b) In the event the Beneficiary ever has any reason to believe that any Hazardous Materials are or may be located on, or may otherwise affect, the Property in violation of applicable Laws, or if any Claim is made or threatened against the Trustor or the Property with respect to any Environmental Requirement, or if a Default or Event of Default shall have occurred hereunder or under any of the other Financing Documents, the Trustor shall immediately upon the receipt of Notice from the Beneficiary, which may be given at any time and from time to time by the Beneficiary in its sole discretion (but not more frequently than once during any twelve (12) month period), cause an Environmental Assessment to be undertaken with respect to the Property and furnish the same to the Beneficiary within thirty (30) days after the date of the Beneficiary's request. The cost of any such Environmental Assessment shall be borne exclusively by the Trustor. The Trustor shall cooperate with each environmental consulting firm engaged to make any such Environmental Assessment and shall supply to each such environmental consulting firm, from time to time and promptly on request, all information available to the Trustor to facilitate the completion of the Environmental Assessment. Notwithstanding the foregoing, the Beneficiary shall be under no duty to require the preparation of any Environmental Assessment of the Property, and in no event shall any such Environmental Assessment by the Beneficiary be or give rise to any representation or warranty by the Beneficiary that Hazardous Materials are or are not present on the Property, or that there has been compliance by the Trustor or any other Person with any Environmental Requirement.

(c) The Trustor shall protect, indemnify, defend and hold the Beneficiary, the Trustee, any Persons owned or controlled by, owning or controlling, or under the common control of or affiliated with, the Beneficiary and/or the Trustee, any participants in the Loan, the directors, officers, employees and agents of the Beneficiary, and/or such other Persons, and the heirs, personal representatives, successors and assigns of each of the foregoing, harmless from and against any and all Claims of any kind or nature whatsoever arising out of or in any way connected with any investigative, enforcement, cleanup, removal, containment, remedial or other private, governmental or regulatory action at any time threatened, instituted or completed pursuant to any applicable Environmental Requirement against the Trustor or the Beneficiary or against or with respect to the Property or any condition, use or activity on the Property or at any time threatened or made by any Person against the Trustor or the Beneficiary or against or with respect to the Property or any condition, use or activity on the Property relating to any damage, contribution, cost recovery, compensation, loss or injury resulting from or in any way arising in connection with any Hazardous Materials or Hazardous Materials Contamination. Upon demand by the Beneficiary, the Trustor shall diligently defend any such Claim which affects the Property or is made or commenced against the Beneficiary, whether alone or together with the Trustor or any other Person, all at the Trustor's sole cost and expense and by counsel to be approved by the Beneficiary in the exercise of its reasonable judgment. In the alternative, the Beneficiary may at any time elect to conduct its own defense through counsel selected by the Beneficiary and at the cost and expense of the Trustor.

(d) Notwithstanding any of the foregoing provisions, the Trustor shall have the right to contest any claim that the Property contains Hazardous Materials or that there is

Hazardous Materials Contamination provided any such contest does not violate any Laws or otherwise endanger the Beneficiary's security in the Property.

Section 4.18. Right to Perform. If the Trustor fails to promptly pay or perform any of the Obligations, the Beneficiary, without Notice to or demand upon the Trustor, and without waiving or releasing any Obligation or Default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of the Trustor. The Beneficiary may enter upon the Property for that purpose and take all action thereon as the Beneficiary considers necessary or appropriate. All Expenses incurred by the Beneficiary pursuant to this Section, together with interest thereon at the Reimbursement Rate, shall be paid by the Trustor to the Beneficiary as provided in Section 4.19.

Section 4.19. Reimbursement; Interest. If the Beneficiary or the Trustee shall incur any Expenses or pay any Claims to which the Beneficiary or the Trustee become a party by reason of this Deed of Trust or the rights and remedies provided hereunder (regardless of whether this Deed of Trust expressly provides for an indemnification against such Claims by the Trustor), such Expenses and Claims shall be (a) paid by the Trustor to the Beneficiary on demand, together with interest thereon from the date incurred until paid in full by the Trustor at the Reimbursement Rate, and (b) a part of the Obligations secured by this Deed of Trust. Notwithstanding the foregoing, however, in any action or proceeding to foreclose this Deed of Trust or to recover or collect the Obligations, the provisions of Law governing the recovery of costs, disbursements and allowances shall prevail unaffected by this Section. Whenever this Deed of Trust provides for interest to be paid at the Reimbursement Rate, the Reimbursement Rate shall be calculated on the basis of a 360-day year factor applied to actual days elapsed and adjusted simultaneously with any change in the Beneficiary's prime rate of interest.

Section 4.20. Permitted Contests. The Trustor shall not be required to pay any of the Property Assessments, or to comply with any Law, so long as the Trustor shall in good faith, and at its cost and expense, contest the amount or validity thereof, or take other appropriate action with respect thereto, in good faith and in an appropriate manner or by appropriate proceedings; provided that (a) such proceedings operate to prevent the collection of, or other realization upon, such Property Assessments or enforcement of the Law so contested, (b) there will be no sale, forfeiture or loss of the Property during the contest, (c) neither the Beneficiary nor the Trustee are subjected to any Claim, and (d) the Trustor provides assurances satisfactory to the Beneficiary (including, without limitation, the establishment of an appropriate reserve account with the Beneficiary) of its ability to pay such Property Assessments or comply with such Law in the event the Trustor is unsuccessful in its contest. Each such contest shall be promptly prosecuted to final conclusion or settlement, and the Trustor shall indemnify and save the Beneficiary and Trustee harmless against all Claims in connection therewith. Promptly after the settlement or conclusion of such contest or action, the Trustor shall comply with such Law and/or pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable, together with all penalties, fines, interests, costs and expenses in connection therewith.

Section 4.21. Security Agreement; Fixture Filing. This Deed of Trust creates a security interest in the Personalty, and, to the extent the Personalty is not real property, this Deed of Trust constitutes a security agreement from the Trustor to the Beneficiary under the Uniform

Commercial Code of the State. The Trustor hereby agrees to execute and deliver on demand, and hereby irrevocably constitutes and appoints the Beneficiary the attorney-in-fact of the Trustor, to execute, deliver and, if appropriate, to file with the appropriate filing office or offices, such financing statements or other instruments as the Beneficiary may request or require in order to perfect the security interest granted hereby or to continue the effectiveness of the same. This Deed of Trust is a financing statement (fixture filing) and it is hereby recited (to the extent that such recitation is required by UCA Section 70A-9a-502 (or any replacement statute) because a portion of the Property may constitute fixtures) that this Deed of Trust is to be filed in the office where a mortgage on the real property would be recorded, which is the office of the Recorder of Utah County, Utah. Trustor is the record owner of the Property.

Article V. Negative Covenants.

Section 5.01. Encumbrances. Without the prior written consent of the Beneficiary, the Trustor will not permit the Real Property or the Personalty, or the Leases, Rents and Contracts of Sale, to become subject to any Encumbrances other than the Permitted Encumbrances. The Trustor shall give the Beneficiary Notice of any default under any Lien and Notice of any foreclosure or threat of foreclosure.

Section 5.02. Transfer of the Property. The Trustor will not Transfer, or contract to Transfer, all or any part of the Property or any legal or beneficial interest therein (except for Transfers of the Equipment permitted by Section 5.03 and transfers of ownership interests permitted pursuant to Section 6.17).

Section 5.03. Removal, etc. of Equipment and Improvements. Except to the extent permitted by the following sentence, none of the Improvements or Equipment shall be removed, demolished or materially altered, without the prior written consent of the Beneficiary. The Trustor may remove and dispose of, free from the Lien of this Deed of Trust, such Equipment as from time to time becomes worn out or obsolete, provided that, either (a) at the time of, or prior to, such removal, any such Equipment is replaced with other Equipment which is free from Liens other than Permitted Encumbrances and has a value at least equal to that of the replaced Equipment (and by such removal and replacement the Trustor shall be deemed to have subjected such Equipment to the Lien of this Deed of Trust), or (b) so long as a prepayment may be made without penalty pursuant to the Note, such Equipment is sold at fair market value for cash and the net cash proceeds received from such disposition are paid over promptly to the Beneficiary to be applied to the prepayment of the principal of the Loan.

Section 5.04. Additional Improvements. The Trustor will not construct any Improvements other than those presently on the Land without the prior written consent of the Beneficiary. The Trustor will complete and pay for, within a reasonable time, any Improvements which the Trustor is permitted to construct on the Land. The Trustor will construct and erect any permitted Improvements (a) strictly in accordance with all applicable Laws and any private restrictive covenants, (b) entirely on lots or parcels of the Land, (c) so as not to encroach upon any easement or right of way or upon the land of others, and (d) wholly within any building restriction lines applicable to the Land.

Section 5.05. Restrictive Covenants, Zoning, etc. Without the prior written consent of the Beneficiary, the Trustor will not initiate, join in, or consent to any change in, any restrictive covenant, easement, zoning ordinance, or other public or private restrictions, limiting or defining the uses which may be made of the Property. The Trustor will (a) promptly perform and observe, and cause to be performed and observed, all of the terms and conditions of all agreements affecting the Property, and (b) do or cause to be done all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of, or constituting any portion of, the Property.

Section 5.06. Prohibition on Hazardous Materials. The Trustor will not cause, commit, permit or allow to continue any violation of any Environmental Requirement by any Person on or with respect to the Property. The Trustor will not place, install, store, spill, leak, dispose of or release, or cause, commit, permit, or allow the placement, installation, storage, spilling, leaking, disposal or release of, any Hazardous Materials on the Property and will keep the Property free of all Hazardous Materials Contamination.

Article VI. Events of Default. The occurrence of any one or more of the following shall constitute an "Event of Default" under this Deed of Trust:

Section 6.01. Accuracy of Information; Representations and Warranties. Any information contained in any financial statement, schedule, report or any other document delivered by the Trustor, the Guarantor or any other party or parties to the Beneficiary in connection with the Loan proves at any time to be not in all material respects true and accurate, or the Trustor, the Guarantors or any such other party or parties shall have failed to state any material fact or any fact necessary to make such information not misleading, or any representation or warranty contained in this Deed of Trust, or in any other document, certificate or opinion delivered to the Beneficiary in connection with the Loan, proves at any time to be incorrect or misleading in any material respect.

Section 6.02. Payment Obligations. The Borrower fails to promptly pay, or cause to be paid, any of the Obligations when and as due and payable, and such failure continues uncured for a period of ten (10) business days after Notice from the Beneficiary to the Borrower; or the Borrower fails to pay any Taxes on the Property prior to the date on which any penalty or additional interest is incurred.

Section 6.03. Transfer of the Property; Encumbrances. The Trustor fails to comply with Sections 5.01 or 5.02.

Section 6.04. Insurance Obligations. The Trustor fails to promptly perform or comply with any of the terms and conditions set forth in Section 4.02.

Section 6.05. Hazardous Materials. The Trustor fails to promptly perform or comply with any of the terms and conditions set forth in Sections 4.17 or 5.06.

Section 6.06. Financial Information. The Trustor fail to provide the Beneficiary, within fifteen (15) days after Notice from the Beneficiary, with any of the financial and/or property information required pursuant to Sections 4.02, 4.05(a) or 4.11 hereof.

Section 6.07. Other Obligations. The Trustor fails to promptly perform or comply with any of the Obligations (other than those expressly described in other Sections of this Article VI), and such failure continues uncured for a period of thirty (30) days after Notice from the Beneficiary to the Trustor, unless the nature of the failure is such that (a) it cannot be cured within the thirty (30) day period, (b) the Trustor institutes corrective action within the thirty (30) day period, and (c) the Trustor diligently pursues such action completes the cure within a period of an additional thirty (30) days.

Section 6.08. Event of Default Under Other Financing Documents. An Event of Default (as defined therein) occurs under any of the Financing Documents other than this Deed of Trust.

Section 6.09. Change in Zoning or Public Restriction. Any change in any zoning ordinance or regulation or any other public restriction is enacted, adopted or implemented, that limits or defines the uses which may be made of the Property such that the present or intended use of the Property, as specified in the Financing Documents, would be in violation of such zoning ordinance or regulation or public restriction, as changed. Notwithstanding the foregoing, any such change in any zoning ordinance or regulation or other public restriction shall not constitute an Event of Default if the Trustor is contesting the same in good faith and the effect of such change is stayed during the period of the contest.

Section 6.10. Default Under Other Lien Documents. A default occurs under any other mortgage, deed of trust or security agreement covering all or any portion of the Property, including, without limitation, any Permitted Encumbrances, which is not cured within any applicable cure period therein set forth.

Section 6.11. Voluntary Bankruptcy, etc. If any of the Guarantors or the Borrower (a) applies for, or consents in writing to, the appointment of a receiver, trustee or liquidator of any of the Guarantors or the Borrower or of the Property or of all or substantially all of any of the Guarantors' or the Borrower's other assets, or (b) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they become due, or (c) makes a general assignment for the benefit of creditors, or (d) files a petition or an answer seeking a reorganization (other than a reorganization not involving the liabilities of any of the Guarantors or the Borrower) or an arrangement with creditors or takes advantage of any bankruptcy or insolvency law, or (e) files an answer admitting the material allegations of a petition filed against any of the Guarantors or the Borrower in any bankruptcy, reorganization or insolvency proceeding.

Section 6.12. Involuntary Bankruptcy, etc. An order, judgment or decree is entered by any court of competent jurisdiction on the application of a creditor adjudicating any of the Guarantors or the Borrower as bankrupt or insolvent, or appointing a receiver, trustee or liquidator of any of the Guarantors or the Borrower or of the Property, or of all or substantially all of the Guarantors' or the Borrower's other assets, and such order, judgment or decree continues unstayed and in effect for a period of ninety (90) days from the date entered.

Section 6.13. Execution; Attachment. Any execution or attachment is levied against the Property, and such execution or attachment is not set aside, discharged or stayed within thirty (30) days after the same is levied.

Section 6.14. Judgment. Unless adequately covered by insurance in the opinion of the Beneficiary, the entry of a final judgment for the payment of money involving more than \$150,000 against any of the Guarantors or the Borrower and the failure by the such party to discharge the same, or cause it to be discharged, or bonded off to the Beneficiary's satisfaction, within thirty (30) days from the date of the order, decree or process under which or pursuant to which such judgment was entered.

Section 6.15. Change in Business Status. Unless the written consent of the Beneficiary is previously obtained, the sale of all or substantially all of the business assets of the any of the Guarantors or the Borrower, or, or the commencement of any proceeding to dissolve or liquidate any of the Guarantors or the Borrower, or the occurrence of any change in the form of business entity through which the any of the Guarantors or the Borrower presently conducts its business.

Section 6.16. Default Under Other Indebtedness or Agreements. The Trustor fails to pay any indebtedness of the Trustor, or any entity majority owned or controlled, directly or indirectly, by Edward A. St. John fails to pay any indebtedness owed to Beneficiary and such failure continues beyond any applicable grace or cure period set forth in the loan documents evidencing or securing such indebtedness or defaults in any material respect beyond any applicable grace or cure period under any lease, public works agreement, surety agreement or letter of credit agreement, entered into or delivered in connection with the Property and/or the Obligations.

Section 6.17. Dissolution of the Trustor. Without the Beneficiary's prior express written consent thereto, (a) any of the Trustor, or the LLC Guarantor is dissolved either pursuant to the provisions of its organizational documents, by operation of law, or in any other manner, voluntarily or otherwise; (b) the organizational documents of any of the Trustor or the LLC Guarantor are terminated pursuant to any of its provisions or by operation of law, or amended or modified in any manner except to reflect any transfer permitted by the terms of the Financing Documents; (c) if any member of the LLC Guarantor or any of the Trustor either (i) directly or indirectly sells, assigns, mortgages, pledges, hypothecates, transfers or otherwise encumbers or permits to be encumbered any or all of his, her or its interest in LLC Guarantor or any of the Trustor or, (ii) withdraws voluntarily or involuntarily (by operation of law or otherwise) from LLC Guarantor or any of the Trustor; or (d) any new member is admitted to the Trustor; excluding, however, (i) testamentary transfers of interests in the Trustor and/or LLC Guarantor resulting from the death of Edward A. St. John, so long as within sixty (60) days after the date of such death, the personal representative of the estate, having been duly appointed, shall have confirmed to the Beneficiary, by agreement in form and substance satisfactory to the Beneficiary, that the estate of Edward A. St. John, as the case may be, remains bound by the terms of the Financing Documents for the payment and performance of all obligations thereunder, and/or (ii) transfers of membership interests in any of the Trustor by Edward A. St. John to any member of his immediate family or to any other member of such entity, so long as Edward A. St. John and/or LLC Guarantor continue to own either directly or indirectly not less

than fifty-one percent (51%) of the interests in any of the Trustor; provided that in each case the Beneficiary is notified of each such transfer at the time the same is made.

Section 6.18. Managing Member. During his lifetime, Edward A. St. John, the LLC Guarantor or St. John Properties, Inc. ceases to control the management of the Trustor and project manager of the Property.

Section 6.19. Hazardous Materials Indemnification. A default shall occur under the terms of the Hazardous Materials Indemnification which default shall continue uncured for a period of fifteen (15) days after notice thereof from Beneficiary.

Section 6.20. Death. Edward A. St. John dies, unless within sixty (60) days after such death the estate of the deceased shall, by writing acceptable to the Beneficiary, recognize Edward A. St. John's obligations under those Financing Documents to which he is a party as the obligations of his estate or a substitute borrower in all respects acceptable to the Beneficiary assumes Edward A. St. John's obligations under the Financing Documents to which he is a party.

Section 6.21. Material Adverse Change. A material, adverse change, as determined by the Beneficiary, in its reasonable discretion, shall have occurred in the financial condition of the Borrower from the financial condition of such persons or entities shown on the financial statements delivered to the Beneficiary as a part of, or in connection with, the Borrower's application for the Loan, exclusive of any event, change, circumstance, occurrence, effect or state of facts (i) generally affecting the economy or the financial or securities markets, in the United States (ii) any outbreak or escalation of hostilities or acts of war or terrorism, or (iii) reflecting or resulting from changes in any Laws; provided further, that, the impact of such event, change, circumstances, occurrence, effect or state of facts is not disproportionately adverse to the business of the Borrower, taken as a whole, when compared to other companies operating in the same industries in the States of Maryland or Utah in which the Borrower conducts its business.

Section 6.22. Transfer of Assets. The Individual Guarantor or the LLC Guarantor transfers any of his or its assets for other than a fair market value consideration, with the exception of transfers of cash assets for charitable contributions to third-party charitable institutions recognized as such by the Internal Revenue Service. The Beneficiary shall not withhold unreasonably its consent to transfers by Edward A. St. John for estate planning purposes.

Section 6.23. Financial Covenants. At any time during the term of the Loan, The Individual Guarantor or the LLC Guarantor, on an aggregate basis, shall fail to comply with the financial covenants set forth in the Loan Agreement.

Section 6.24. Leased Status. Excluding projects under construction and those in an initial lease up period, if the existing commercial portfolio of the Individual Guarantor, the LLC Guarantor, Trustor, St. John Properties, Inc. and all related affiliates fails to maintain an average leased status of eighty-five percent (85%).

Section 6.25. Companion Loans. At any time during the Loan, there shall be a default under any of the documents evidencing or securing any of the Companion Loans beyond any applicable notice and cure period contained therein.

Article VII. Rights and Remedies. Upon the occurrence of any Event of Default, the Beneficiary, or the Trustee at the direction of the Beneficiary, may at any time thereafter exercise any of the following rights, powers or remedies:

Section 7.01. Acceleration. The Beneficiary may declare (without Notice to the Trustor and without presentment, demand, protest or notice of protest or of dishonor, all of which the Trustor hereby waives) the Obligations to be immediately due and payable.

Section 7.02. Foreclosure. The Trustee, if and as directed by the Beneficiary, shall have all of the rights and may exercise all of the powers set forth in applicable Law of the State of Utah, including those powers set forth in UCA Section 57-1-29 to 57-1-39 or any successor provision of Law. The Trustee may sell the Property in its entirety or in parcels, and by one or by several sales, as deemed appropriate by the Trustee in its sole and absolute discretion (but subject to the Trustor's statutory right under UCA Section 57-1-27 to direct the order in which the property, if consisting of several known lots or parcels, shall be sold). The Trustee shall receive and apply the proceeds from the sale of the Property, or any portion thereof, in accordance with UCA Section 57-1-29 or any successor provision of Law. Before any foreclosure sale, the Beneficiary or the Trustee shall give such notice of default and election to sell as may be required by Law. After the lapse of such time as may then be required by Law following the recordation of such notice of default, and notice of sale having been given as then required by Law, the Trustee or the attorney for the Trustee shall sell the property being sold at a public auction to be held at the time and place specified in the notice of sale. Neither the Trustee nor the Beneficiary shall have any obligation to make demand on the Trustor before any foreclosure sale. From time to time in accordance with then-applicable Law, the Trustee may, and in any event at the Beneficiary's request shall, postpone any foreclosure sale by public announcement at the time and place noticed for that sale. At any foreclosure sale, the Trustee shall sell to the highest bidder at public auction for cash in lawful money of the United States (or cash equivalents acceptable to the Trustee to the extent permitted by applicable Law), payable at the time of sale or upon such other terms as described in the Notice of Sale. The Trustee shall execute and deliver to the purchaser(s) a deed or deeds conveying the property being sold without any covenant or warranty whatsoever, expressed or implied. The recitals in any such deed of any matters or facts, including any facts bearing upon the regularity or validity of any foreclosure sale, shall be conclusive and *prima facie* evidence of their truthfulness. Any such deed shall be conclusive against all Persons as to the facts recited therein. Any Person, including the Trustee or the Beneficiary, may purchase at such sale. Upon any sale made under or by virtue of this Section 7.02, 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 Trust Estate, whether by payment of cash or by credit bid in accordance with UCA Section 57-1-28(1)(b) or other applicable Law. In the event of a successful credit bid, the Beneficiary shall make settlement for the purchase price by crediting upon the Obligations of the Trustor secured by this Deed of Trust such credit bid amount. The Beneficiary, upon so acquiring the 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.

Section 7.03 Judicial Action. The Beneficiary and the Trustee, if and as directed by the Beneficiary, shall have the right to bring an action in any court of competent jurisdiction for foreclosure of this Deed of Trust as a mortgage and a deficiency judgment as provided by Law, or for specific enforcement of any of the covenants or agreements of this Deed of Trust.

Section 7.04. Taking Possession or Control of the Property. The Trustor specifically agrees that if an Event of Default shall have occurred and be continuing, the Beneficiary, in accordance with UCA Section 57-26-107 and upon application to a court of competent jurisdiction, as a matter of strict right without notice and without regard to occupancy or value of any security for the debt secured hereby or the solvency of any party bound for its payment, without any showing of fraud or mismanagement on the part of the Trustor, and without the necessity of filing any judicial or other proceeding other than the proceeding for appointment of a receiver, shall be entitled to the appointment of a receiver to take possession of, and to operate all or any part of the Property and to collect and apply the Rents, whether such receivership be incidental to a proposed sale of the Property or otherwise. The receiver shall have all of the rights, powers and protections granted to the receiver or the Beneficiary herein, or otherwise permitted under the laws of the State of Utah. The Trustor will pay to the receiver or Beneficiary upon demand all reasonable, out-of-pocket expenses, including receiver's fees, reasonable, actual attorneys' fees, costs and compensation, incurred pursuant to the provisions of this paragraph, and all such expenses shall be secured by this Deed of Trust. In addition, to the extent permitted by Law, and with or without the appointment of a receiver, or an application therefor, the Beneficiary may (a) enter upon, and take possession of (and the Trustor shall surrender actual possession of), the Property or any part thereof, without Notice to the Trustor and without bringing any legal action or proceeding, or, if necessary by force, legal proceedings, ejectment or otherwise, and (b) remove and exclude the Trustor and its agents and employees therefrom.

Section 7.05. Management of the Property. Upon obtaining possession of the Property or upon the appointment of a receiver as described in Section 7.04, the Beneficiary, the Trustee or the receiver, as the case may be, may, at their sole option, (a) make all necessary or proper repairs and Additions to or upon the Property, (b) operate, maintain, control, make secure and preserve the Property, (c) receive all Rents, and (d) complete the construction of any unfinished Improvements on the Property and, in connection therewith, continue any and all outstanding contracts for the erection and completion of such Improvements and make and enter into any further contracts which may be necessary, either in their or its own name or in the name of the Trustor (the cost of completing the Improvements shall be Expenses secured by this Deed of Trust and accrue interest as set forth in Section 4.19). In so doing, the Beneficiary, the Trustee or such receiver shall have the right to manage the Property and to carry on the business of the Trustor and may exercise all of the rights and powers of the Trustor, either in the name of the Trustor, or otherwise, including, but without limiting the generality of the foregoing, the right to lease the Property, to cancel, modify, renew or extend any Lease or sub-lease of the Property and to carry on any contracts entered into by the Trustor with respect to the Property. The Beneficiary, the Trustee or such receiver shall be under no liability for, or by reason of, any such taking of possession, entry, holding, removal, maintaining, operation or management, except for gross negligence or willful misconduct. Any Rents received shall be applied (a) first, to pay all Expenses, and (b) the balance, if any, to payment of the other Obligations. The Trustor shall pay on demand to the Beneficiary, the receiver or the Trustee (as the case may be) the amount of any

deficiency between (a) the Rents received by the Beneficiary, the receiver or the Trustee, and (b) all Expenses incurred together with interest thereon at the Reimbursement Rate as provided in Section 4.19. The exercise of the remedies provided in this Section shall not cure or waive any Event of Default, and the enforcement of such remedies, once commenced, shall continue for so long as the Beneficiary shall elect, notwithstanding the fact that the exercise of such remedies may have, for a time, cured the original Event of Default.

Section 7.06. Uniform Commercial Code. The Beneficiary may proceed under the Uniform Commercial Code as to all or any part of the Personalty, and in conjunction therewith may exercise all of the rights, remedies and powers of a secured creditor under the Uniform Commercial Code. Upon the occurrence of any Event of Default, the Trustor shall assemble all of the Equipment and make the same available within the Improvements. Any notification required by the Uniform Commercial Code shall be deemed reasonably and properly given if sent in accordance with the Notice provisions of this Deed of Trust at least ten (10) days before any sale or other disposition of the Personalty. Disposition of the Personalty shall be deemed commercially reasonable if made pursuant to a public sale advertised at least twice in a newspaper of general circulation in the community where the Property is located. It shall be deemed commercially reasonable for the Trustee to dispose of the Personalty without giving any warranties as to the Personalty and specifically disclaiming all disposition warranties. Alternatively, the Beneficiary may choose to dispose of some or all of the Property, in any combination consisting of both Personalty and Real Property, in one sale to be held in accordance with the Law and procedures applicable to real property, as permitted by Article 9a of the Uniform Commercial Code. The Trustor agrees that such a sale of Personalty together with Real Property constitutes a commercially reasonable sale of the Personalty. It is the express understanding and intent of the parties that as to any personal property interests subject to Article 9a of the Utah Uniform Commercial Code, Beneficiary may sell any shares of corporate stock evidencing water rights in accordance with UCA Section 57-1-30 or other applicable Law.

Section 7.07. Other Remedies. The Beneficiary shall have the right from time to time to enforce any legal or equitable remedy against the Trustor and to sue the Trustor for any sums (whether interest, damages for failure to pay principal or any installments thereof, taxes, or any other sums required to be paid under the terms of this Deed of Trust, as the same become due), without regard to whether or not any other of the Obligations shall be due, and without prejudice to the right of the Beneficiary thereafter to enforce any appropriate remedy against the Trustor, including, without limitation, an action of foreclosure or an action for specific performance, for a Default by the Trustor existing at the time such earlier action was commenced.

Section 7.08. Remedies, etc. Cumulative. Each right, power and remedy of the Beneficiary or the Trustee as provided for in this Deed of Trust, or in any of the other Financing Documents or now or hereafter existing by Law, shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Deed of Trust, or in any of the other Financing Documents or now or hereafter existing by Law, and the exercise or beginning of the exercise by the Beneficiary or the Trustee of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Beneficiary or the Trustee of any or all such other rights, powers or remedies.

Section 7.09. No Waiver by Beneficiary etc. No course of dealing or conduct between the Beneficiary, the Trustee and the Trustor shall be effective to amend, modify or change any provisions of this Deed of Trust or the other Financing Documents. No failure or delay by the Beneficiary or the Trustee to insist upon the strict performance of any term, covenant or agreement of this Deed of Trust or of any of the other Financing Documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, covenant or agreement or of any such breach, or preclude the Beneficiary or the Trustee from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any of the Obligations, the Beneficiary or the Trustee shall not be deemed to waive the right either to require prompt payment when due of all other Obligations, or to declare an Event of Default for failure to make prompt payment of any such other Obligations. Neither the Trustor nor any other Person now or hereafter obligated for the payment of the whole or any part of the Obligations shall be relieved of such liability by reason of (a) the failure of the Beneficiary to comply with any request of the Trustor or of any other Person to take action to foreclose this Deed of Trust or otherwise enforce any of the provisions of this Deed of Trust, or (b) any agreement or stipulation between any subsequent owner or owners of the Property and the Beneficiary, or (c) the Beneficiary extending the time of payment or modifying the terms of this Deed of Trust or any of the other Financing Documents without first having obtained the consent of the Trustor or such other Person. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate Lien on the Property, the Beneficiary may release any Person at any time liable for any of the Obligations or any part of the security for the Obligations, and may extend the time of payment or otherwise modify the terms of this Deed of Trust or any of the other Financing Documents without in any way impairing or affecting the Lien of this Deed of Trust or the priority of this Deed of Trust over any subordinate Lien. The holder of any subordinate Lien shall have no right to terminate any Lease regardless of whether or not such Lease is subordinate to this Deed of Trust. The Beneficiary may resort to the security or collateral described in this Deed of Trust or any of the other Financing Documents in such order and manner as the Beneficiary may elect in its sole discretion.

Section 7.10. Waivers and Agreements Regarding Remedies. To the fullest extent allowed by law, the Trustor hereby:

(a) agrees that it will not at any time plead, claim or take advantage of any Laws now or hereafter in force providing for any appraisalment, valuation, stay, extension or redemption, and waives and releases all rights of redemption, valuation, appraisalment, stay of execution, extension and notice of election to accelerate the Obligations;

(b) waives all rights to a marshalling of the assets of the Trustor, including without limitation, the Property, or to a sale in the inverse order of alienation in the event of a foreclosure of the Property, and agrees not to assert any right under any Law pertaining to the marshalling of assets, the sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatsoever to defeat, reduce or affect the right of the Beneficiary under the terms of this Deed of Trust to a sale of the Property without any prior or different resort for collection, or the right of the Beneficiary to the payment of the Obligations out of the proceeds of sale of the Property in preference to every other claimant whatsoever;

(c) waives any right to bring or utilize any defense, counterclaim or setoff, other than one which denies the existence or sufficiency of the facts upon which any foreclosure action is grounded. If any defense, counterclaim or setoff, other than one permitted by the preceding clause, is timely raised in a foreclosure action, such defense, counterclaim or setoff shall be dismissed. If such defense, counterclaim or setoff is based on a Claim which could be tried in an action for money damages, such Claim may be brought in a separate action which shall not thereafter be consolidated with the foreclosure action. The bringing of such separate action for money damages shall not be deemed to afford any grounds for staying the foreclosure action; and

(d) waives and relinquishes any and all rights and remedies which the Trustor may have or be able to assert by reason of the provisions of any Laws pertaining to the rights and remedies of sureties, including but not limited to, the rights, protections and benefits afforded to a borrower under UCA 78B-6-901 and 57-1-32 and any successor or replacement statute or any similar laws or benefits.

Section 7.11. Setoff. The Beneficiary may set off against and apply any funds of the Trustor on deposit with, or under the control of, the Beneficiary to the payment of the Obligations, without Notice and without resort to any judicial proceeding.

Section 7.12. Deficiency. The Trustor agrees to pay any deficiency arising from any cause, to which the Beneficiary may be entitled after applications of the proceeds of any sale, and the Beneficiary may commence suit to collect such deficiency in accordance with UCA Section 57-1-32 or other applicable Law.

Section 7.13. Reinstatement. If the Trustor, the Trustor's successor in interest or any other Person having a subordinate lien or encumbrance of record on the Property, reinstates this Deed of Trust and the Loan within three (3) months of the recordation of a notice of default in accordance with UCA Section 57-1-31(1), such party shall pay to the Beneficiary the reasonable cancellation fee contemplated by UCA Section 57-1-31(2), as delivered by Beneficiary, in accordance with its then current policies and procedures, whereupon Trustee shall record a notice of cancellation of the pending sale.

Section 7.14 Marshaling of Assets. The Trustor, on its own behalf and on behalf of its successors and assigns, hereby expressly waives all rights to require a marshaling of assets by the Trustee or the Beneficiary, or to require the Trustee or the Beneficiary, upon a foreclosure, to first resort to the sale of any portion of the Trust Estate which might have been retained by Trustor before foreclosing upon and selling any other portion as may be conveyed by Trustor subject to this Deed of Trust.

Section 7.15. Request for Notice. The Beneficiary hereby requests, pursuant to UCA 57-1-26(3), a copy of any notice of default and that any notice of sale hereunder be mailed to it at the address set forth in Section 9.03.

Section 7.16. Other Remedies. The Beneficiary shall have the right from time to time to protect, exercise and enforce any legal or equitable remedy against the Trustor provided

under the Financing Documents or by applicable Laws.

Article VIII. The Trustee.

Section 8.01. Liability of the Trustee. The Trustee shall have no liability or responsibility for, and make no warranties in connection with, the validity or enforceability of any of the Financing Documents or the description, value or status of title to the Property. The Trustee shall be protected in acting upon any notice, request, consent, demand, statement, note or other paper or document believed by the Trustee to be genuine and to have been signed by the party or parties purporting to sign the same. The Trustee shall not be liable for any error of judgment, nor for any act done or step taken or omitted, nor for any mistakes of law or fact, nor for anything which the Trustee may do or refrain from doing in good faith, nor generally shall the Trustee have any accountability hereunder except for its willful misconduct or gross negligence. Subject to the limitations of UCA Section 57-1-21.5, the powers and duties of the Trustee hereunder may be exercised through such attorneys, agents or servants as the Trustee may appoint, and Trustee shall have no liability or responsibility for any act, failure to act, negligence or willful misconduct of such attorney, agent or servant, so long as the selection was made with reasonable care. In addition, Trustee may consult with legal counsel selected by Trustee, and Trustee shall have no liability or responsibility by reason of any act or failure to act in accordance with the opinions of such counsel. Trustee may act hereunder and may sell or otherwise dispose of the Property or any part thereof as herein provided, even though Trustee has been, may now be or may hereafter be, an attorney or agent of Beneficiary, in respect of any matter or business whatsoever. Trustee, however, shall have no obligation to sell all or any part of the Property following an Event of Default or to take any other action authorized to be taken by Trustee hereunder except upon the demand of Beneficiary.

Section 8.02. Indemnification of Trustee. The Trustor agrees to indemnify the Trustee and to hold the Trustee harmless for, from and against any and all Claims and Expenses directly or indirectly arising out of or resulting from any transaction, act, omission, event or circumstance in any way connected with the Property or the Loan, including but not limited to any Claim arising out of or resulting from any assertion or allegation that the Trustee is liable for any act or omission of the Trustor or any other Person in connection with the ownership, development, financing, operation or sale of the Property; provided, however, that the Trustor shall not be obligated to indemnify the Trustee with respect to any Claim arising solely from the gross negligence or willful misconduct of the Trustee. The agreements and indemnifications contained in this Section shall apply to Claims arising both before and after the repayment of the Loan and shall survive the repayment of the Loan, any foreclosure or deed in lieu thereof and any other action by the Trustee to enforce the rights and remedies of the Beneficiary or the Trustee hereunder or under the other Financing Documents.

Section 8.03 Substitution of Trustee, etc. The Beneficiary shall have, and is hereby granted with warranty of further assurances, the irrevocable power to appoint a new or replacement or substitute Trustee. Such power may be exercised at any time without notice, without cause and without specifying any reason therefor, by filing for record in the office where this Deed of Trust is recorded a Substitution of Trustee meeting the requirements of UCA Section 57-1-22(2). The power of appointment of a successor Trustee may be exercised as often as and whenever the Beneficiary may choose, and the exercise of the power of appointment, no

matter how often, shall not be an exhaustion thereof. Upon the recordation of such Deed or Deeds of Appointment, the Trustee so appointed shall thereupon, without any further act or deed of conveyance, become fully vested with identically the same title and estate in and to the Property and with all the rights, powers, trusts and duties of its predecessor in the trust hereunder with like effect as if originally named as the Trustee hereunder. Whenever in this Deed of Trust reference is made to the Trustee, it shall be construed to mean each Person appointed as the Trustee for the time being, whether original or successor in trust. All title, estate, rights, powers, trusts and duties granted to the Trustee shall be in each Person appointed as the Trustee so that any action hereunder by any Person appointed as the Trustee shall for all purposes be deemed to be, and as effective as, the action of all the Trustees.

Section 8.04 Acceptance by Trustee. The Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

Section 8.05 Trustee's Fees and Expenses. In no event shall the Trustor be required to pay to the Trustee any fees or compensation in excess of amounts permitted by UCA 57-1-21.5.

Article IX. Miscellaneous.

Section 9.01. Application of Moneys. Whenever it is provided in this Deed of Trust for any moneys to be applied to payment of the Obligations, and no express order of payment is set forth, such moneys shall be applied to the Obligations in such order and manner as the Beneficiary may determine in its sole discretion.

Section 9.02. Further Assurances. At any time, and from time to time, upon request by the Beneficiary, the Trustor will, at the Trustor's expense, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Financing Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the opinion of the Beneficiary, be necessary or desirable in order to complete, perfect or continue and preserve the Lien of this Deed of Trust. Upon any failure by the Trustor to do so, the Beneficiary may make, execute and record any and all such instruments, certificates and documents for and in the name of the Trustor, all at the sole expense of the Trustor, and the Trustor hereby irrevocably appoints the Beneficiary the agent and attorney-in-fact of the Trustor to do so, this appointment being coupled with an interest. With respect to any financing statement, the Trustor agrees that a carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing statement for purposes of Section 9-502 of the Uniform Commercial Code of the State.

Section 9.03. Notices. All Notices shall be deemed to have been received when delivered by hand, when delivered to an overnight courier, or when deposited in the mail in the manner provided for in the definition of Notices set forth in Article I above.

Section 9.04. Successors and Assigns. All of the grants, covenants, terms, provisions and conditions of this Deed of Trust shall run with the Land and shall apply to and bind the successors and assigns of the Trustor (including any permitted subsequent owner of the

Property), and inure to the benefit of the Beneficiary, its successors and assigns and to the successors in trust of the Trustee.

Section 9.05. No Warranty by Beneficiary. By inspecting the Property or by accepting or approving anything required to be observed, performed or fulfilled by the Trustor or to be given to the Beneficiary pursuant to this Deed of Trust or any of the other Financing Documents, the Beneficiary shall not be deemed to have warranted or represented the condition, sufficiency, legality, effectiveness or legal effect of the same, and such acceptance or approval shall not constitute any warranty or representation with respect thereto by the Beneficiary.

Section 9.06. Amendments. This Deed of Trust may not be modified or amended except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

Section 9.07. Illegality. If fulfillment of any provision of this Deed of Trust or any transaction related hereto shall at any time involve transcending the limit of validity prescribed by Law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provision herein contained, other than the provisions requiring the Trustor to pay the Obligations, operates or would prospectively operate to invalidate this Deed of Trust in whole or in part, then such clause or provision only shall be void, as though not herein contained, and the remainder of this Deed of Trust shall remain operative and in full force and effect; and if such clause or provision requires the Trustor to pay any of the Obligations, then at the sole option of the Beneficiary, all of the Obligations shall become due and payable.

Section 9.08. Governing Law. This Deed of Trust is being executed and delivered in the State of Utah, but shall be construed, governed and enforced in accordance with the Laws in effect from time to time in the State.

Section 9.09. Final Expression. Pursuant to UCA Section 25-5-4, this written agreement is the final expression of the agreement between the Trustor and the Beneficiary and this written agreement may not be contradicted by evidence of any alleged oral agreement.

Section 9.10. Partial Release. Upon the achievement of each of the Release Conditions (as hereinafter defined), as determined by the Beneficiary in its sole, but reasonable discretion, the Trustor shall have the right to obtain a release of certain individual lots within the Land described on Exhibit A-2 (being hereinafter sometimes referred to individually as a "**Lot**" and collectively as the "**Lots**"), from the lien of this Deed of Trust in connection with either the sale of the same to a bona fide, third-party purchaser under a contract of sale approved by the Beneficiary in its reasonable discretion, or the refinance of the same to a bona fide third party lender. The satisfaction of each and every one of the following conditions (hereinafter referred to as the "**Release Conditions**") shall be a condition precedent to the right of the Trustor to obtain a release of the Lots from the lien and effect of this Deed of Trust:

(a) The Beneficiary shall have previously received and approved a valid subdivision plat, acceptable in all respects to the Beneficiary and its counsel, in their sole and absolute discretion, and which ensures that the balance of the Land remaining subject to the lien of this Deed of Trust conforms in all respects with all required zoning, land use and building

codes, rules and regulations, with adequate means of ingress and egress from a public roadway;

(b) At the time of the request by the Trustor for a release of a Lot, there shall not exist any Default or Event of Default hereunder or under any of the other Financing Documents, nor any condition or state of facts which after notice and/or lapse of time would constitute a Default or an Event of Default hereunder or under any of the other Financing Documents;

(c) Between the time of such request and the time of the release of a Lot, the Trustor shall have received and approved a title bring-to-date which confirms that the balance of the Land remaining subject to the lien of this Deed of Trust are free of all liens and encumbrances other than the liens in favor of the Trustor and such other liens and encumbrances of record expressly permitted or otherwise approved by the Trustor;

(d) Between the time of such request and the time of the release of a Lot, the Borrower shall have provided to the all financial statements and other financial information as may be required under the terms of the Deed of Trust and the other Financing Documents, and there shall not have occurred, in the opinion of the Beneficiary, any material adverse change in the business or financial condition of the Borrower or the Guarantors from that which existed on the date of the Deed of Trust;

(e) At the time of the release of a Lot from the Land described on Exhibit A-2, the Trustor shall have paid to the Beneficiary as follows: (i) for a release of Lot 6 described on Exhibit A-2, an amount necessary to repay the Companion Loan made to Valley Grove VI, LLC for the development of Lot 6 and the construction of the Improvements thereon, (ii) for a release of Lot 8 described on Exhibit A-2, an amount necessary to repay the Companion Loan made to Valley Grove VIII, LLC for the development of Lot 8 and the construction of the Improvements thereon, (iii) for a release of Lot 9 described on Exhibit A-2, an amount necessary to repay the Companion Loan made to Valley Grove IX, LLC for the development of Lot 9 and the construction of the Improvements thereon, (iv) for the release of any other lot located within the Land described on Exhibit A-2, which is not collateral for a Future Companion Loan, an amount required by such Trustor to be paid to the Beneficiary either (1) pursuant to the terms of the Acquisition Loan for the acquisition of such Lot, or (2) pursuant to the terms of the Land Development Loan for the land development associated with such Lot, and (v) for the release of any other lot located within the Land described on Exhibit A-2 which is collateral for a Future Companion Loan, an amount necessary to repay such Future Companion Loan; and

(g) The Trustor shall also pay to the Beneficiary, at the time of each such release, a release and notary fee in the amount of \$35.00 if the release instrument is de-livered to the Beneficiary for execution or \$50.00 if the Beneficiary is required to prepare the release instrument.

[Signatures appear on the following page.]

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

TRUSTOR

WITNESS OR ATTEST:

VALLEY GROVE VII, LLC,
a Maryland limited liability company

By: Edward St. John, LLC, Manager

Courtney Keiser

By:  (SEAL)
Edward A. St. John
General Manager

WITNESS OR ATTEST:

VALLEY GROVE, LLC,
a Maryland limited liability company

By: Edward St. John, LLC, Manager

Courtney Keiser


By:  (SEAL)
Edward A. St. John
General Manager

WITNESS OR ATTEST:

VALLEY GROVE VI, LLC,
a Maryland limited liability company

By: Edward St. John, LLC, Manager

Courtney Keiser

By:  (SEAL)
Edward A. St. John
General Manager

[Signatures continue on the following page.]

WITNESS OR ATTEST:

VALLEY GROVE VIII, LLC,
a Maryland limited liability company

By: Edward St. John, LLC, Manager

Courtney Keim

By: Edward A. St. John (SEAL)
Edward A. St. John
General Manager

WITNESS OR ATTEST:

VALLEY GROVE IX, LLC,
a Maryland limited liability company

By: Edward St. John, LLC, Manager

Courtney Keim

By: Edward A. St. John (SEAL)
Edward A. St. John
General Manager

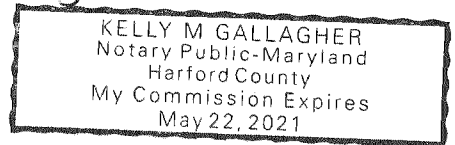
STATE OF MARYLAND, COUNTY OF Baltimore, TO WIT:

I HEREBY CERTIFY, that on this 15th day of December, 2017, before me, the undersigned Notary Public of said State, personally appeared Edward A. St. John, who acknowledged himself to be the General Manager of Edward St. John, LLC, the Manager of VALLEY GROVE VII, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized General Manager of the limited liability company by signing the name of the limited liability company by himself as General Manager.

WITNESS my hand and Notarial Seal.

Kelly M Gallagher
Notary Public

My Commission Expires:



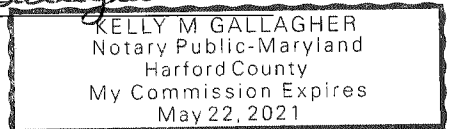
STATE OF MARYLAND, COUNTY OF Baltimore, TO WIT:

I HEREBY CERTIFY, that on this 15th day of December, 2017, before me, the undersigned Notary Public of said State, personally appeared Edward A. St. John, who acknowledged himself to be the General Manager of Edward St. John, LLC, the Manager of VALLEY GROVE, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized General Manager of the limited liability company by signing the name of the limited liability company by himself as General Manager.

WITNESS my hand and Notarial Seal.

Kelly M Gallagher
Notary Public

My Commission Expires:



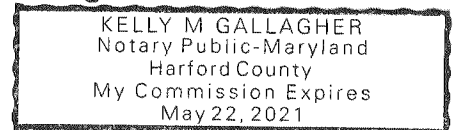
STATE OF MARYLAND, COUNTY OF Baltimore, TO WIT:

I HEREBY CERTIFY, that on this 15th day of December, 2017, before me, the undersigned Notary Public of said State, personally appeared Edward A. St. John, who acknowledged himself to be the General Manager of Edward St. John, LLC, the Manager of VALLEY GROVE VI, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized General Manager of the limited liability company by signing the name of the limited liability company by himself as General Manager.

WITNESS my hand and Notarial Seal.

Kelly M Gallagher
Notary Public

My Commission Expires:



STATE OF MARYLAND, COUNTY OF Baltimore, TO WIT:

I HEREBY CERTIFY, that on this 15th day of December, 2017, before me, the undersigned Notary Public of said State, personally appeared Edward A. St. John, who acknowledged himself to be the General Manager of Edward St. John, LLC, the Manager of VALLEY GROVE VIII, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized General Manager of the limited liability company by signing the name of the limited liability company by himself as General Manager.

WITNESS my hand and Notarial Seal.

My Commission Expires:

Kelly M. Gallagher
Notary Public
KELLY M GALLAGHER
Notary Public-Maryland
Harford County
My Commission Expires
May 22, 2021

STATE OF MARYLAND, COUNTY OF Baltimore, TO WIT:

I HEREBY CERTIFY, that on this 15th day of December, 2017, before me, the undersigned Notary Public of said State, personally appeared Edward A. St. John, who acknowledged himself to be the General Manager of Edward St. John, LLC, the Manager of VALLEY GROVE IX, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized General Manager of the limited liability company by signing the name of the limited liability company by himself as General Manager.

WITNESS my hand and Notarial Seal.

My Commission Expires:

Kelly M. Gallagher
Notary Public
KELLY M GALLAGHER
Notary Public-Maryland
Harford County
My Commission Expires
May 22, 2021

EXHIBIT A-1

PROPERTY DESCRIPTION

All of those lots or parcels of land located in Utah County, Utah, and more particularly described as follows:

PARCEL 1:

Lot 7, VALLEY GROVE BUSINESS PARK PLAT 'A', A VACATION OF LOTS 1, 2, 4, PARCEL A AND ROAD PARCEL OF DMB SUBDIVISION NO. 1, ACCORDING TO THE OFFICIAL PLAT RECORDED APRIL 19, 2016 AS ENTRY NO. 34009:2016 AND AS MAP FILING NO. 15021 OF OFFICIAL UTAH COUNTY, UTAH RECORDS.

PARCEL 1A:

THOSE APPURTENANT EASEMENTS AS SET FORTH AND CREATED IN THAT CERTAIN AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND GRANT OF EASEMENTS FOR VALLEY GROVE BUSINESS PARK RECORDED APRIL 19, 2016 AS ENTRY NO. 34010:2016 OF OFFICIAL UTAH COUNTY, UTAH RECORDS.

Said property is also known by the street addresses of: 1926 West Pleasant Grove Boulevard

EXHIBIT A-2**PROPERTY DESCRIPTION**

(Additional Premises)

All of those lots or parcels of land located in Utah County, Utah, and more particularly described as follows:

PARCEL 1:

Lots 1 THROUGH 6, AND LOTS 8 THROUGH 9, INCLUSIVE, VALLEY GROVE BUSINESS PARK PLAT 'A', A VACATION OF LOTS 1, 2, 4, PARCEL A AND ROAD PARCEL OF DMB SUBDIVISION NO. 1, ACCORDING TO THE OFFICIAL PLAT RECORDED APRIL 19, 2016 AS ENTRY NO. 34009:2016 AND AS MAP FILING NO. 15021 OF OFFICIAL UTAH COUNTY, UTAH RECORDS.

PARCEL 1A:

THOSE APPURTENANT EASEMENTS AS SET FORTH AND CREATED IN THAT CERTAIN AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND GRANT OF EASEMENTS FOR VALLEY GROVE BUSINESS PARK RECORDED APRIL 19, 2016 AS ENTRY NO. 34010:2016 OF OFFICIAL UTAH COUNTY, UTAH RECORDS.

Said property is also known by the street addresses of:

1972 West Grove Parkway a/k/a 1972 West Sam White Lane – as to Lot 1

1905 West Grove Parkway – as to Lot 2

758 South North County Boulevard – as to Lot 3

796 South North County Boulevard – as to Lot 4

1824 West Pleasant Grove Boulevard – as to Lot 5

1882 West Pleasant Grove Boulevard – as to Lot 6

1982 W. Pleasant Grove Boulevard – as to Lot 8

2015 West Grove Parkway – as to Lot 9