

**ASSIGNMENT OF LESSOR'S INTEREST IN LEASES**

THIS ASSIGNMENT OF LESSOR'S INTEREST IN LEASES (this "**Agreement**") is made this 15<sup>th</sup> 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 (the "**Additional Owners**"; the Owner and the Additional Owners are individually and collectively, the "**Assignor**") in favor of **MANUFACTURERS AND TRADERS TRUST COMPANY**, a New York banking corporation, (the "**Lender**").

RECITALS

A. The Borrower has requested that the Lender make a construction/interim loan (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 (the "**Note**") and secured by, among other things, a Deed of Trust, Assignment and Security Agreement of even date herewith granted by the Borrower and the Additional Owners to the Lender (the "**Deed of Trust**"). All defined terms used but not defined in this Agreement shall have the meaning given to such terms in the Deed of Trust.

B. As a condition precedent to making the Loan to the Assignor, the Lender required that the Assignor secure the payment and performance of all obligations of the Assignor arising out of, or in connection with, the Loan by the execution of this Agreement.

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

1. As security for the prompt payment and performance of the Obligations, the Assignor hereby grants, transfers, and assigns to the Lender (a) all of (i) the Assignor's interest in and to any and 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 located in Utah County, Utah, more particularly described on Exhibit A-1 attached hereto and made a part hereof, and (ii) the Additional Owners' interest in and to any and 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 located in Utah County, Utah, more particularly described on Exhibit A-2 attached hereto and made a part hereof (individually and collectively, the "**Property**"), together with all options therefor, amendments thereto and renewals, modifications and guarantees thereof (the "**Leases**"), including, without limitation, any cash or securities deposited thereunder to secure performance by the tenants of their obligations, whether such cash or securities are to be held until the expiration of the terms of the applicable agreements or applied to one or more of the installments of rent coming due; (b) all rents, royalties, issues, profits, revenues, income and other benefits arising from and remedies under the Leases; and (c) all rents, royalties, issues, income, profits, revenues, other benefits and security deposits due or to become due or arising from the Property.

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Jeffery Smith  
Utah County Recorder  
2017 Dec 15 03:19 PM FEE 41.00 BY DA  
RECORDED FOR First American Title NCS  
ELECTRONICALLY RECORDED

2. The Assignor covenants (a) to observe and perform all of the obligations imposed upon the landlord in the Leases and not to do or permit to be done anything to impair the security thereof; (b) that the Leases are valid and enforceable and that the tenants are not in default under any of the terms thereof; (c) that no rent reserved in the Leases has been anticipated or assigned; (d) not to collect any of the rents, income and profits arising or accruing from the Property in advance of the time when the same becomes due under the terms of the Leases; (e) not to discount any future accruing rents; (f) without the prior written consent of the Lender, not to execute any further assignment of the Leases or assignment of rents therefrom; (g) other than in the ordinary course of business, not to alter, modify or change the terms of the Leases, or surrender, cancel or terminate the same without the prior written consent of the Lender; and (h) to assign and transfer to the Lender any and all further Leases upon all or any part of the Property and to execute and deliver, at the request of the Lender, all such further assurances and assignments in the Property as the Lender may from time to time require.

3. So long as no Event of Default (as defined in the Deed of Trust) shall exist and the Assignor is not in default in the performance of any material obligation, covenant or agreement contained in the Leases, the Assignor shall have a license (which license shall terminate automatically and without notice upon the occurrence of an Event of Default or a default by the Assignor under the Leases), to collect upon, but not prior to accrual, all rents, income and profits from the Property; such rents, income and profits to be held in trust for the Lender. Each month, provided that no Event of Default shall have occurred, the Assignor may retain such rents, income and profits as were collected that month and held in trust for the Lender and use and enjoy the same.

4. Upon revocation of the license referred to in the preceding Section, (a) following notification to the tenants under the Leases by the Lender that all rents are to be paid to it, all rents shall be paid directly to the Lender and not through the Assignor, it being understood that a demand by the Lender on any tenant under the Leases for the payment of rent shall be sufficient to warrant payment by such tenant of future payments of rent to the Lender without the necessity of further consent by the Assignor; (b) the Lender shall be entitled to take possession of the Property and to have, hold, manage, lease and operate the same on such terms and for such period of time as the Lender may deem proper; (c) the Lender shall be entitled to make from time to time all alterations, renovations, repairs or replacements to the Property as may seem proper to the Lender; and (d) the Lender may apply rents, income and profits to the payment of:

(i) the cost of all such alterations, renovations, repairs and replacements and expenses incident to the taking and retaining possession of the Property and the management and operation thereof and keeping the same properly insured;

(ii) all taxes, charges, claims, assessments, water rents and any other liens which may be prior in lien or payment to the Obligations, and premiums for said insurance with interest on all such items; and

(iii) the Obligations, together with all costs and attorney's fees;

all in such order of priority as to any of such items as the Lender in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding.

5. Subsequent to an Event of Default or a default by the Assignor under the Leases which is remedied, with all necessary charges and expenses incurred by reason thereof paid, the parties hereto shall each be restored to and reinstated in their respective rights and estates as if such Event of Default or default by the Assignor under the Leases had not occurred. The Assignor shall thereupon hold the Property subject hereto as if the Lender had not exercised its rights and options hereunder and as if Assignor's license to collect rents had not been revoked; but nothing hereinbefore contained shall impair any right of the Lender upon any subsequent breach.

6. The Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge any obligation, duty or liability under the Leases, or under or by reason of this Agreement, and the Assignor shall and does hereby agree to indemnify the Lender for and to hold the Lender harmless of and from any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this Agreement, and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should the Lender incur any such liability, loss or damage under the Leases, this Agreement or in the defense of any such claims or demands, the amount thereof including costs, expenses and reasonable attorneys' fees shall be secured hereby and the Assignor shall reimburse the Lender therefor immediately upon demand, and upon the failure of the Assignor so to do the Lender may declare the Obligations immediately due and payable, provided that any notice and opportunity to cure required by the Financing Documents are given.

7. Upon the payment in full of the Obligations, this Agreement shall become and be void and of no effect, but the affidavit, certificate, letter or statement of any officer, supervisor or attorney of the Lender showing any part of the Obligations to remain unpaid shall be and constitute conclusive evidence (except in an action between the Assignor and the Lender or its assigns) of the validity, effectiveness and continuing force of this Agreement, and any person may and is hereby authorized to rely thereon.

8. The Lender may take or release other security, may release any party primarily or secondarily liable for the Obligations, may grant extensions, renewals or indulgences with respect to the Obligations and may apply any other security held by it to the satisfaction of the Obligations without prejudice to any of its rights hereunder.

9. Nothing herein contained and no act done or omitted by the Lender pursuant to the powers and right granted it herein shall be deemed to be a waiver by the Lender of its rights and remedies under any of the Financing Documents, but this Agreement is made and accepted without prejudice to any of the rights and remedies possessed by the Lender under the terms thereof. The right of the Lender to collect the Obligations and to enforce any other security therefor owned by it may be exercised by the Lender either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

10. In the event the Note is transferred by the Lender to any other person or corporation, the Assignor covenants and agrees that all the provisions herein contained shall be applied to and inure to the benefit of the holder of the Note in the same manner and to the same extent as if it was the original Assignor of the Leases named herein.

11. The Assignor hereby acknowledges, consents and agrees (a) that the provisions of this Agreement and the rights of all parties mentioned herein shall be governed by the laws of the State of Utah and interpreted and construed in accordance with such laws and (b) that the United States District Court for the District of Utah or any court of competent jurisdiction of the State of Utah shall have jurisdiction in any proceeding instituted to enforce this Agreement and any objections of venue are hereby waived.

12. If any provision (or any part of any provision) contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision (or remaining part of the affected provision) of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained herein but only to the extent it is invalid, illegal or unenforceable.

*(SIGNATURES COMMENCE ON THE FOLLOWING PAGE)*

WITNESS the signature and seal of the Assignor and the Additional Owners as of the day and year first above written.

**ASSIGNOR:**

WITNESS OR ATTEST:

**VALLEY GROVE VII, LLC,**  
a Maryland limited liability company

By: Edward St. John, LLC, Manager

County Name

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

WITNESS OR ATTEST:

**VALLEY GROVE, LLC,**  
a Maryland limited liability company

By: Edward St. John, LLC, Manager

County Name

By: Edward St. John (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

County Name

By: Edward St. John (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

*Country Union*

By: *Edward 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

*Country Union*

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

STATE OF MARYLAND, COUNTY OF Baltimore, TO WIT:

I HEREBY CERTIFY, that on this 15<sup>th</sup> 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, a Delaware limited liability company, which is 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 said 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:

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WITNESS my hand and Notarial Seal.

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Notary Public  
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WITNESS my hand and Notarial Seal.

My Commission Expires:

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Notary Public  
KELLY M GALLAGHER  
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Harford County  
My Commission Expires  
May 22, 2021

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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



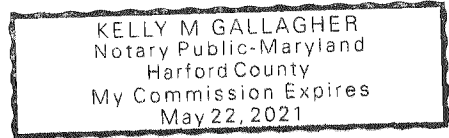
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WITNESS my hand and Notarial Seal.

Kelly M Gallagher  
Notary Public

My Commission Expires:



**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**

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