

Trust Deed Page 1 of 32
Russell Shirts Washington County Recorder
01/28/2020 10:25:09 AM Fee \$40.00 By MERIDIAN
TITLE COMPANY

mtc 280179

AFTER RECORDING PLEASE RETURN TO:

AP Rockville, LLC
111 East Broadway, Suite 390
Salt Lake City, Utah 84111

Tax Parcel No. R-1248-E

(Space above for Recorder's use only)

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

THIS DEED OF TRUST, FINANCING STATEMENT, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING ("Deed of Trust") is made and entered into effective as of the 23 day of January, 2020, by and among ZION REDROCK VILLA, LLC, a Utah Limited liability company ("Trustor"), in favor of MERIDIAN TITLE COMPANY, a Utah corporation ("Trustee"), for the benefit of AP ROCKVILLE, LLC, a Utah limited liability company, as to 89.312977%, and A. JACOB ANDERSEN as to 10.687023%, or successors and assigns (collectively "Beneficiary").

RECITALS:

- A. Trustor is the owner of fee simple title in and to approximately to the real property located in Washington County, Utah, together with easements, rights-of-way, appurtenances, water rights, water shares and other rights and benefits running therewith, which real property is particularly described on Exhibit "A" attached to and incorporated by reference in this Deed of Trust (the "Property").
- B. Trustor requires seller financing from Beneficiary in the amount of One Million Nine Hundred Sixty-Five Thousand and 00/100 Dollars (\$1,965,000.00).
- C. Beneficiary has committed to extend the financing to Trustor, provided that Beneficiary obtains a first position deed of trust lien against the Property.

NOW, THEREFORE, upon the terms, covenants and conditions set forth in this Deed of Trust, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, TRUSTOR HEREBY CONVEYS AND WARRANTS TO TRUSTEE, IN TRUST, WITH POWER OF SALE, and hereby grants to Beneficiary, as a secured party, a security interest in the following described real and personal property:

**GRANTING CLAUSE:
REAL PROPERTY**

All right, title, interest, and estate of Trustor in and to the Property.

**GRANTING CLAUSE II:
ASSIGNED CONTRACTS**

All right, title, interest, and estate of Trustor, now owned or hereafter acquired, in and to the following to the extent applicable to the Property or the Improvements (as defined in Article I of this Deed of Trust):

- (1) All contracts and agreements relating to the planning, design, engineering, construction, or architecture of, or the providing of supplies or materials to, the Improvements;
- (2) All contracts and leases granted by Trustor, as lessor, to any individual or entity for the use of all or any portion of the Property, areas on the Improvements or the Property for the placement of telecommunications equipment, antennae or transmission devices, or for the placement of billboards, signs or other advertising media;
- (3) All contracts and agreements for marketing, leasing, advertising, use, or sale of the Improvements or any portion of the Improvements;
- (4) All contracts and agreements relating to the management of the Property and the Improvements, or with any franchisor relating to the operation or use of the Improvements;
- (5) All security deposits, connection fees, prepayments, reservation fees and other payments made by Trustor with respect to any of the foregoing; and
- (6) All modifications, amendments, substitutions and replacements of any of the foregoing.

**GRANTING CLAUSE III:
AWARDS**

All right, title, interest, and estate of Trustor, now owned or hereafter acquired, in and to:

- (1) All awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the Property or any portion of the Property or of any Improvements now or hereafter situate thereon or of any estate or easement in the Property (including any awards for change of grade of streets); and
- (2) The proceeds of insurance paid on account of partial or total destruction of the Improvements now or hereafter located upon the Property or any portion thereof (regardless of whether or not Trustor is required to carry such insurance under this Deed of Trust or any other Loan Document).

**GRANTING CLAUSE IV:
EQUIPMENT**

All right, title, interest, and estate of Trustor, now owned or hereafter acquired, in and to:

(1) All appliances, floor coverings, furnishings, window coverings, security systems, communications systems and equipment, artwork, light fixtures, and other articles of tangible personal property of Trustor used or acquired for incorporation into the Property;

(2) All attachments, accessories and accessions thereto and all substitutions and replacements thereof and all parts therefor.

**GRANTING CLAUSE V:
FIXTURES AND INTERESTS**

All right, title, interest and estate of Trustor, now owned or hereafter acquired, in and to:

(1) All buildings, improvements, renovations, works, structures, facilities and fixtures, including any future additions to, and improvements and betterments upon, and all renewals and replacements of, any of the foregoing and which are owned or acquired by Trustor and which are now or hereafter shall be constructed or affixed or constructively affixed to the Property, or to any portion of the Property;

(2) All easements, licenses, streets, ways, alleys, roads, passages, or rights-of-way (whether now owned or hereafter acquired by Trustor, whether arising by virtue of land ownership, contract or otherwise), of any kind and nature, relating to or in any way appurtenant or appertaining to the Property or any portion of the Property; and

(3) All decreed and undecreed water or water rights, ditches or ditch rights, reservoirs or reservoir rights, well, spring, seepage and pond rights, and all other types of rights to the ownership of water, tributary, nontributary and not nontributary, which are underlying, appurtenant to or customarily or historically used upon or associated with the Property, all water and ditch company stock relating to the Property, and all rights to naturally occurring oil, gas, minerals, geothermal resources, timber and crops under, through, upon, or appurtenant to the Property.

**GRANTING CLAUSE VI:
INTANGIBLES**

**GRANTING CLAUSE VII:
PERMITS AND LICENSES**

All right, title, interest, and estate of Trustor, now existing or hereafter acquired, in and to all permits, privileges, grants, consents, licenses, authorizations and approvals heretofore or hereafter granted by the United States, by the State of Utah, or by any departments or agencies thereof or any other governmental or public bodies, agencies or authorities (including, without limitation, Washington County or Rockville Town, Utah) to or for the benefit of Trustor and utilized in connection with the development, construction, or operation of the Improvements.

**GRANTING CLAUSE VIII:
RENTS, ISSUES, ETC.**

All right, title, interest and estate of Trustor, now owned or hereafter acquired, in and to:

- (1) All sales proceeds, rents, subrents, issues, royalties, income, and profits of and from the Property or any portion of the Property; and
- (2) All cleaning, security, and other deposits and any prepaid rent held or received by Trustor from tenants pursuant to or under the terms of any leases affecting the Property.

**GRANTING CLAUSE IX:
TENEMENTS AND HEREDITAMENTS**

All right, title, interest and estate of Trustor, now owned or hereafter acquired, in and to all and singular the tenements, hereditaments, rights, privileges and appurtenances belonging, relating, or in any way appertaining to any of the Property, or any portion of the Property, or which shall hereafter in any way belong, relate or in any way appertain thereto (including, without limitation, any and all development rights, air rights or similar or comparable rights), and the reversion and reversions, remainder and remainders, and estates, rights, titles, interests, possessions, claims and demands of every nature whatsoever, at law or in equity, which Trustor may have or may hereafter acquire in and to the Property or any portion of the Property.

**GRANTING CLAUSE X:
PROCEEDS AND PRODUCTS**

All cash and noncash proceeds and all products of any of the foregoing, including, without limitation, insurance proceeds.

**ARTICLE I
DEFINITIONS**

Unless the context clearly indicates otherwise, certain terms used in this Deed of Trust shall have the meanings set forth below:

“**Access Laws**” means, collectively, the Americans with Disabilities Act of 1990, the Fair Housing Amendments Act of 1988, and any other federal, state or local laws or ordinances related to disabled access; or any statute, rule, regulation, ordinance, order of governmental bodies and regulatory agencies, or order or decree of any court adopted or enacted with respect thereto, as now existing or hereafter amended or adopted.

“**Appraised Value**” means the value established by a licensed MAI appraiser retained by Trustor and approved by Lender from time to time.

“**Event of Default**” means the occurrence and continuance of any one of the events listed in Section 11.1 of this Deed of Trust.

"Hazardous Materials" shall include, but shall not be limited to, substances defined as "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," or "toxic substances" or words of similar import under any applicable local, state or federal law or under the regulations adopted or publications promulgated pursuant thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 *et seq.*; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Section 5101 *et seq.*, the Resource Conservation and Recovery Act, as amended 42 U.S.C. 6901 *et seq.*; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 *et seq.*; Chapters 2, 3, 4, 5 and 6 of the Utah Environmental Quality Code, Title 19, Utah Code Annotated (1953), as the same may be amended from time to time; and in all rules adopted and regulations promulgated pursuant to any of the foregoing.

"Impositions" means all real property taxes and assessments, general and special, and all other taxes, assessments and other governmental, municipal or other charges or impositions of any kind or nature whatsoever (including, without limitation, charges and assessments on water or water stocks used on or with the Property and levies or charges resulting from covenants, conditions and restrictions affecting the Trust Estate) which are assessed or imposed upon the Trust Estate, or become due and payable, and which create or may create a lien upon the Property or any portion of the Property, equipment, or other facility used in the construction, renovation, operation, or maintenance of the Trust Estate.

"Improvements" means any subdivision improvements or other improvements and other related facilities and improvements owned by Trustor and installed or constructed on the Property.

"Loan" means the financing facility advanced or to be advanced by Beneficiary to or for the account of Trustor evidenced by the Note.

"Loan Documents" means the Note, this Deed of Trust, one or more guaranties, all other deeds of trust and security agreements given by or for the benefit of Trustor to Beneficiary as security for the Note, and any and all other documents between Trustor and Beneficiary evidencing or securing the Loan, as the same may now be or may hereafter be amended or modified.

"Note" means the Promissory Note of even date herewith in the principal amount of One Million Nine Hundred Sixty-Five Thousand and 00/100 Dollars (\$1,965,000.00), executed by Trustor, as maker, in favor of Beneficiary, as payee, together with any and all amendments and modifications thereto.

"Obligations" means the obligations of Trustor described in Section 2.1 of this Deed of Trust, the payment and performance of which are secured by this Deed of Trust.

"Permitted Encumbrances" means those liens, encumbrances and matters affecting the Property listed on Exhibit "B" attached to and incorporated by reference in this Deed of Trust.

"Personalty" means all tangible and intangible personal property of Trustor listed in Granting Clauses II through XI of this Deed of Trust used in connection with the Property or incorporated into the Improvements.

"Property" means that certain real property situate in Washington County, Utah, described in Recital A above and referred to in Granting Clause I of this Deed of Trust, as more particularly described on Exhibit "A" attached to this Deed of Trust.

"Trust Estate" means all of the items, documents, interests and properties referred to in Granting Clauses I through X of this Deed of Trust.

ARTICLE II OBLIGATIONS SECURED

2.1 **Obligations.** This Deed of Trust is given for the purpose of securing the following Obligations of Trustor:

(a) The payment and performance of each and every obligation of Trustor, evidenced by the Note, including, without limitation, the payment of principal of and interest on the Loan, and any and all default interest, late fee charges, additional advances, and other costs and fees expended by Beneficiary to protect its security position against the Property including, but not limited to, foreclosure costs, attorney fees and related costs;

(b) The payment and performance of each and every agreement and obligation of Trustor under the Note and this Deed of Trust, and under any other instrument given to evidence or further secure the payment and performance of any obligation of Trustor under the Loan and all of the Loan Documents; and

(c) The payment of all sums expended and advanced by Trustee or Beneficiary pursuant to the terms of this Deed of Trust, together with interest thereon as provided in the Note.

2.2 **Extensions and Renewals.** Any extensions of, renewals of, modifications of, or additional advances of the Loan, or any of the Obligations evidenced by the Note, regardless of the extent or subject matter of any such extension, renewal, modification or additional advance, shall be secured by this Deed of Trust.

ARTICLE III REPRESENTATIONS AND WARRANTIES

3.1 **Property.** Trustor represents and warrants to Beneficiary as follows:

(a) Except for the Permitted Encumbrances, Trustor is, or simultaneously with the execution of this Deed of Trust shall become, the owner of fee simple title in and to the Property;

(b) Trustor possesses all requisite power and authority to execute and deliver this Deed of Trust;

(c) Except for the Permitted Encumbrances, Trustor shall defend title to the Property against all claims and demands whatsoever;

(d) The Property is free and clear of and from any and all liens, claims, encumbrances, restrictions, encroachments, and interests whatsoever in favor of any third party, other than the Permitted Encumbrances;

(e) Upon recording of this Deed of Trust, the lien created by this Deed of Trust upon the Property will be a valid and subsisting first position lien against the Trust Estate, subject only to the Permitted Encumbrances;

(f) Any and all obligations incurred by Trustor in connection with the acquisition of all or any portion of the Property are current and without default on the part of Trustor; and

(g) To Trustor's actual knowledge: (1) the Trust Estate is not in violation of any federal, state, or local law, ordinance, or regulation relating to industrial hygiene or to environmental conditions on, under, or about the Trust Estate including, without limitation, soil and ground water conditions; (2) there are no Hazardous Materials constructed, deposited, stored, disposed, placed, or located in, on, or under the Trust Estate in violation of applicable laws; and (3) Trustor has not received notice from any federal, state, or local agency or department regarding the noncompliance by Trustor or the Trust Estate with respect to any federal, state or local law, ordinance or regulation governing the use, handling, storage, generation, transportation, or disposal of Hazardous Materials or the mere presence of Hazardous Materials on the Property.

3.2 Personalty. Trustor represents and warrants to Beneficiary as follows:

(a) Trustor is the owner, or upon acquisition of title thereof by Trustor, will be the owner of all Personalty incorporated into the Improvements on the Property;

(b) The Personalty is, or upon acquisition of title thereto by Trustor will be, free and clear of all liens, claims, encumbrances, restrictions, charges, and security interests in favor of any third party other than the Permitted Encumbrances;

(c) Trustor will not create, permit, or suffer to exist any lien, claim, encumbrance, restriction, charge, or security interest in or to the Personalty without the prior written consent of Beneficiary; and

(d) Trustor shall defend the Personalty and take such other action as is necessary to remove any lien, claim, encumbrance, restriction, charge, or security interest in or to the Personalty, except the Permitted Encumbrances.

ARTICLE IV
MAINTENANCE OF TRUST ESTATE

Trustor shall: (a) maintain the Trust Estate at all times in good condition and repair; (b) not commit any waste of the Trust Estate, or, except with the prior written permission of Beneficiary, remove, damage, demolish or structurally alter any of the Improvements now on the Property, or to be constructed on the Property hereafter; (c) complete promptly and in good and workmanlike manner the Improvements, or any other improvements on the Property, which may for any reason be constructed; (d) restore promptly and in good and workmanlike manner any of the Improvements, or any portion of the Property, which may for any reason be damaged or destroyed; (e) comply at all times with all laws, ordinances, regulations, covenants, and restrictions in any manner affecting the Trust Estate; (f) not commit or knowingly permit any act upon the Trust Estate in violation of law; and (g) do all acts which by reason of the character or use of the Trust Estate may be reasonably necessary to maintain and care for the same, the specific enumeration herein not excluding the general.

ARTICLE V
INSURANCE

5.1 **Insurance.** Trustor shall secure and at all times maintain and promptly pay when due all premiums for the following types of insurance:

(a) During any period of construction, builder's risk extended coverage insurance against loss or damage by fire, lightning, windstorm, hail, explosion, riot, civil commotion, motor vehicles, aircraft, smoke, theft, vandalism, malicious mischief, and other risks from time-to-time included under extended coverage policies in an amount not less than one hundred percent (100%) of the full replacement value of the Improvements. All policies secured and carried in accordance with this Section 5.1(a) shall contain the "Replacement Cost Endorsement," a lender's loss payable endorsement 438 BFU naming Beneficiary as loss payee, and shall name Beneficiary as an additional insured.

(b) During any period of construction, workmen's compensation insurance against liability arising from claims of workmen with respect to and during the period of any work on or about the Property.

(c) Following any period of construction, insurance against loss or damage to the Property, the Improvements and all Personalty used in connection with the Property by fire, vandalism, malicious mischief, and any of the risks covered by insurance of the type now known as "Causes of Loss - Special Form" or comparable coverage in an amount not less than One Hundred Percent (100%) of the full replacement value of the Improvements. Such insurance policy or policies shall contain the "Replacement Cost Endorsement," a lender's loss payable endorsement 438 BFU naming Beneficiary as loss payee, and shall name Beneficiary as an additional insured.

(d) If the Property is located in a special flood hazard area as identified by the Federal Insurance Administration, federally subsidized flood insurance covering the risk of damage to the Improvements and Personalty located or to be constructed on the

Property caused by flooding in the total amount of the Loan or for the maximum amount of subsidized insurance available, whichever is less. In lieu of such flood insurance, Trustor shall submit to Beneficiary evidence satisfactory to Beneficiary that no part of the Property is, or will be, within an area designated as a flood hazard area by the Federal Insurance Administration.

(e) Commercial General Liability insurance applicable to the Trust Estate in the minimum amounts of One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate. Such liability insurance shall be issued by one or more insurance companies reasonably satisfactory to Beneficiary and shall name Beneficiary as an additional insured.

(f) Equipment and machinery insurance covering vessels, machinery, piping, and other equipment, provided the Improvements contain equipment of such nature, and insurance against loss of use arising from any such breakdown, in such amounts as are reasonably satisfactory to Beneficiary.

(g) Such other insurance and in such amounts as may from time-to-time reasonably be required by Beneficiary against the same or other hazards; provided, such insurance is commonly maintained by owners or developers of property similar to the Property in the Washington County area.

All policies of builder's risk and other casualty and bodily injury insurance required by the terms of this Deed of Trust shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy notwithstanding any act or negligence of Trustor which might otherwise result in forfeiture of the insurance. The policies shall provide that the insurer will waive all rights of set-off, counterclaim, or deduction against Trustor.

5.2 Policies and Premiums. All policies of insurance shall be issued by insurance companies which have a company rating of not less than "A" and a financial performance rating of not less than "7" by A.M. Best Co. in "Best's Insurance Reports." All policies of commercial liability and other casualty insurance shall have included therein a standard mortgagee protection clause. Trustor shall furnish Beneficiary with an original policy of all policies of required insurance or an original certificate of insurance together with a true and correct copy of each such policy. All such policies shall contain a provision that such policies will not be cancelled or materially amended or altered, including reduction of coverage, without at least thirty (30) days prior written notice to Beneficiary. If Beneficiary consents to Trustor providing any of the required insurance through blanket policies carried by Trustor or the ground lease tenant and covering more than one location, then Trustor shall cause the insurance company to furnish Beneficiary with an endorsement to such policy which sets forth the coverage, the limits of liability, the name of the carrier, the policy number, the expiration date and a statement that the insurance company will not cancel or materially modify or alter the coverage evidenced by the endorsement without first affording Beneficiary at least thirty (30) days prior written notice. In the event Trustor fails to provide, maintain, keep in force, or deliver and furnish to Beneficiary the policies of insurance required by Section 5.1, Beneficiary may, but without any obligation to do so, procure such insurance for such risks covering Beneficiary's interest, and Trustor shall pay all premiums thereon promptly upon demand by Beneficiary. If Trustor fails to pay any

premium after demand by Beneficiary, Beneficiary, at Beneficiary's option, may advance any sums necessary to maintain and to keep in force such insurance. Any sums so advanced, together with interest thereon at the default rate as provided for in the Note, shall be secured by this Deed of Trust.

5.3 Occurrence and Notice of Casualty. In the event of loss or damage to the Trust Estate, or any portion of the Trust Estate, Trustor shall immediately give notice thereof to Beneficiary. Beneficiary may, but without any obligation to do so, make proof of loss, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary. The insurance proceeds or any part thereof shall be deemed part of the security for the Obligations and shall be applied to restore or repair the portion of the Trust Estate damaged, provided that any insurance proceeds not so applied may be applied by Beneficiary, at Beneficiary's option, to reduce the indebtedness secured by this Deed of Trust (whether or not then due and payable). Except to the extent that insurance proceeds are received by Beneficiary and applied to the indebtedness secured by this Deed of Trust, nothing herein contained shall be deemed to excuse Trustor from repairing or maintaining the Trust Estate as provided in Article IV of this Deed of Trust or restoring all damage or destruction to the Trust Estate, regardless of whether there are insurance proceeds available or whether any such proceeds are sufficient in amount. The application or release by Beneficiary of any insurance proceeds shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any act done pursuant to such notice.

5.4 Disposition of Policies on Foreclosure. In the event Beneficiary exercises the power of sale provisions of this Deed of Trust or takes any other transfer of title or assignment of the Trust Estate in extinguishment in whole or in part of the Obligations, all right, title and interest of Trustor in and to the policies of insurance required by Section 5.1, shall inure to the benefit of and pass to the successor in interest of Trustor or the purchaser or grantee of the Trust Estate.

ARTICLE VI INDEMNIFICATION AND OFF-SET

6.1 Indemnification by Trustor. Trustor hereby indemnifies and holds Beneficiary harmless in accordance with the following:

- (a) If Beneficiary is made a party defendant to any litigation (except litigation wherein Trustor asserts a claim against Beneficiary and prevails) concerning this Deed of Trust or the Trust Estate or any part of the Trust Estate or interest therein, or the occupancy thereof by Trustor, then Trustor shall indemnify, defend, and hold Beneficiary harmless from any and all liability by reason of such litigation, including reasonable attorney fees and costs incurred by Beneficiary in any such litigation, whether or not the litigation is prosecuted to judgment. If, following the occurrence and continuance of an Event of Default, Beneficiary commences an action against Trustor to enforce any of the material terms, covenants, or conditions of this Deed of Trust or because of the breach by Trustor of any of the material terms, covenants, or conditions or for the recovery of any sum secured hereby, Trustor shall pay the reasonable out of pocket attorney fees and costs actually incurred by Beneficiary in such action. The right to such attorney fees and

costs shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment. If Trustor breaches any material term, covenant, or condition of this Deed of Trust, Beneficiary may employ an attorney or attorneys to protect Beneficiary's rights hereunder and in the event of such employment following any breach by Trustor, Trustor shall pay Beneficiary reasonable out of pocket attorney fees and costs in an amount equal to the amount of such fees and costs actually incurred by Beneficiary, whether or not an action is actually commenced against Trustor by reason of such breach.

(b) If Beneficiary is held liable or could be held liable for, or is subject to any losses, damages, costs, charges, or expenses, directly or indirectly on account of any claims for work, labor, or materials furnished in connection with or arising from the construction, repair, or reconstruction of any of the Improvements, then Trustor shall indemnify, defend, and hold Beneficiary harmless from all liability or out of pocket expense arising therefrom including reasonable attorney fees and costs.

(c) Trustor, to the full extent permitted by law, shall indemnify, defend, and hold harmless Beneficiary, Beneficiary's directors, officers, employees, agents, participants, successors, and assigns from and against any and all loss, cost, expense, or liability incurred in connection with any and all claims and proceedings (whether brought by private party or governmental agency) for bodily injury, property damage, abatement or remediation, environmental damage or impairment, or any other injury or damage resulting from or relating to any Hazardous Materials located under or upon or migrating into, under, from or through the Property, which Beneficiary may incur due to the making of the Loan, the exercise of any of Beneficiary's rights under this Deed of Trust, or under any other document evidencing or securing the Loan, or otherwise. The foregoing indemnity shall apply: (1) whether or not the release of the Hazardous Materials was caused by Trustor, a tenant or subtenant of Trustor, or a prior owner or tenant of the Property; and (2) whether or not the alleged liability is attributable to the handling, storage, generation, transportation, or disposal of Hazardous Materials or the mere presence of Hazardous Materials on the Property.

6.2. Off-Set. All sums payable by Trustor under this Deed of Trust shall (unless otherwise specifically provided in this Deed of Trust) be paid without notice, demand, counterclaim, set-off, deduction, or defense and without abatement, suspension, deferment, diminution, or reduction. The Obligations and liabilities of Trustor hereunder shall in no way be released, discharged, or otherwise affected (except as expressly provided herein) by reason of: (a) any damage to or destruction of, or any condemnation or similar taking of the Trust Estate or any part thereof; (b) any restriction or prevention of or interference with any use of the Trust Estate or any part thereof; (c) any title defect or encumbrance or any eviction from the Trust Estate or any part thereof by title paramount or otherwise; (d) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, or other like proceeding relating to Beneficiary, or any action taken with respect to this Deed of Trust by any trustee or receiver of Beneficiary, or by any court, in any such proceeding; (e) any claim which Trustor has or might have against Beneficiary; (f) any default or failure on the part of Beneficiary to perform or comply with any of the terms, covenants, or conditions of this Deed of Trust or of any other

agreement with Trustor; or (g) any other occurrence whatsoever, whether similar or dissimilar to the foregoing.

ARTICLE VII IMPOSITIONS

7.1 Payment of Impositions. Subject to Section 7.3 of this Deed of Trust, Trustor shall pay, prior to delinquency, all Impositions. However, if, by law, any Imposition is payable, or may at the election of the taxpayer be paid in installments, Trustor may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest, or cost may be added thereto for the nonpayment of any such installment and interest.

7.2 Evidence of Payment. Trustor shall, upon request by Beneficiary, furnish to Beneficiary, within thirty (30) days after the date upon which such Imposition is due and payable by Trustor, official receipts of the appropriate taxing authority, or other proof satisfactory to Beneficiary, evidencing the payments thereof.

7.3 Right to Contest. Trustor shall have the right, before any date set for forfeiture, whether at tax sale, foreclosure on a tax lien or otherwise, to contest or object to the amount or validity of any Imposition by appropriate legal proceedings, but such contest shall not be deemed or construed in any way as relieving, modifying, or extending Trustor's covenant to pay any such Imposition at the time and in the manner provided in Section 7.1, unless Trustor has given prior written notice to Beneficiary of Trustor's intent so to contest or object to an Imposition, and unless, at Beneficiary's option: (a) Trustor shall demonstrate to Beneficiary's satisfaction that the legal proceedings shall conclusively operate to prevent the sale of the Trust Estate, or any part thereof, to satisfy such Imposition prior to final determination of such proceedings; or (b) Trustor shall furnish good and sufficient undertaking and sureties as may be required or permitted by law to accomplish a stay of such proceedings.

7.4 Tax on Deed of Trust. If at any time after the date hereof there shall be assessed or imposed: (a) a tax or assessment on the Trust Estate in lieu of or in addition to the Impositions payable by Trustor; or (b) a license fee, tax, or assessment imposed on Beneficiary and measured by or based in whole or in part upon the amount of the outstanding Obligations or upon payments on the Note (whether principal or interest); then all such taxes, assessments, and fees shall be deemed to be included within the term "Impositions" as defined in Article I of this Deed of Trust and Trustor shall pay and discharge the same as herein provided with respect to the payment of Impositions. Trustor shall have no obligation to pay any franchise, income, excess profits, or similar tax levied on Beneficiary or on the Obligations secured hereby.

7.5 Reserves for Taxes and Insurance. In furtherance of Section 5.1 and Section 7.1 of this Deed of Trust and anything to the contrary herein notwithstanding, Trustor, upon request by Beneficiary following the occurrence and during the continuance of an Event of Default, shall pay to Beneficiary, on demand, until the Note is paid in full, an amount reasonably estimated by Beneficiary to pay the installment of Impositions next due on the Trust Estate; and the annual aggregate insurance premium on all policies of insurance required in Section 5.1. Upon such request, Trustor shall thereafter cause all bills, statements, or other documents relating to

Impositions and insurance premiums to be sent to Beneficiary. Provided Trustor has deposited sufficient funds with Beneficiary pursuant to this Section 7.5, Beneficiary shall pay such amounts as may be due thereunder out of the funds so deposited with Beneficiary. If at any time and for any reason the funds deposited with Beneficiary pursuant to this Section 7.5 are or will be insufficient to pay such amounts as may then or subsequently be due, Beneficiary shall notify Trustor and Trustor shall immediately deposit an amount equal to such deficiency with Beneficiary. Nothing contained herein shall cause Beneficiary to be deemed a trustee of such funds or to be obligated to pay any amounts in excess of the amount of funds deposited with Beneficiary pursuant to this Section 7.5. Beneficiary shall not be obligated to pay any interest on any sums held by Beneficiary pending disbursement or application hereunder, and Beneficiary may impound or reserve for future payment of Impositions and insurance premiums such portion of such payments as Beneficiary, in Beneficiary's absolute discretion, may deem proper. In the event that upon request from Beneficiary pursuant to this Section 7.5 Trustor fails to deposit with Beneficiary sums sufficient to pay fully such Impositions and insurance premiums at least thirty (30) days before delinquency thereof, Beneficiary, at Beneficiary's election, but without any obligation to do so, may advance any amounts required to make up the deficiency, which advances, if any, shall be secured by this Deed of Trust, and shall be repayable to Beneficiary, with interest from the date advanced, at the default rate of interest specified in the Note.

ARTICLE VIII
ADDITIONAL COVENANTS

8.1 Payment of Utilities. Trustor shall pay when due all utility charges relating to the Trust Estate which may become a lien or charge against the Trust Estate or any portion thereof, for gas, electricity, water or sewer services furnished to the Trust Estate and all assessments or charges of a similar nature, whether public or private, affecting the Trust Estate or any portion thereof, whether or not such assessments or charges are liens thereon.

8.2 Defense of Title. Trustor shall appear in and defend any action or proceeding purporting to affect the security hereof, the Trust Estate, or the rights or powers of Beneficiary or Trustee. Should Beneficiary elect in good faith to appear in or defend any such action or proceeding, Trustor shall pay all out of pocket costs and expenses including costs of evidence of title and reasonable attorney fees and costs incurred by Beneficiary or Trustee.

8.3 Performance in Trustor's Stead. Should Trustor fail to make any payment or to do any act as provided in this Deed of Trust beyond all applicable notice and cure periods, then Beneficiary or Trustee, but without any obligation to do so, without notice or demand upon Trustor and without releasing Trustor from any obligation hereunder, may (a) make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof (Beneficiary or Trustee being authorized to enter upon the Trust Estate for such purposes); (b) commence, appear in, and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (c) pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either Beneficiary or Trustee appears to be superior to the lien of this Deed of Trust; and (d) in exercising any such powers, incur any liability, expend such reasonable amounts as Beneficiary may deem necessary therefor, including cost of evidence of title, employment of attorneys, and payment of reasonable attorney fees and costs. All such amounts expended by either or both Trustee or Beneficiary

shall, at the election of Beneficiary, be added to the principal indebtedness secured by this Deed of Trust and shall accrue interest in accordance with the terms of the Note.

8.4 Repayment of Advances. Trustor shall immediately repay to Beneficiary all sums, other than Loan proceeds, with interest thereon as provided in the Note, which at any time may be paid or advanced by Beneficiary for the payment of insurance premiums, taxes, assessments, other governmental, municipal, or other charges or Impositions, title searches, title reports, or abstracts, and any other advances made by Beneficiary which are reasonably necessary to maintain this Deed of Trust as a valid and subsisting lien upon the Trust Estate, to preserve and protect Beneficiary's interest in this Deed of Trust, or to preserve, repair or maintain the Trust Estate. All such advances shall be wholly optional on the part of Beneficiary, and Trustor's obligation to repay the same, with interest, to Beneficiary shall be secured by the lien of this Deed of Trust.

8.5 No Removal of Fixtures. Trustor shall not, during the existence of this Deed of Trust and without the prior written consent of Beneficiary, remove from the Property any of the Improvements or any of the Personalty, except in the ordinary course of Trustor's business and except to the extent replaced by items of comparable quality and value.

8.6 Further Assurance. Trustor shall execute and deliver to Beneficiary such further instruments including, without limitation, Uniform Commercial Code Financing Statements and Continuation Statements, and do such further acts as may be necessary or as may reasonably be required by Beneficiary to carry out more effectively the purposes of this Deed of Trust and to subject to the lien and encumbrance created or intended to be created hereby any property, rights, or interests covered or intended to be covered by this Deed of Trust. Trustor hereby authorizes (to the extent such authorization is valid under applicable law) Beneficiary to file, without Trustor's signature, such Uniform Commercial Code Financing Statements and Continuation Statements as Beneficiary may deem necessary in order to perfect or continue the perfection of the security interests created by this Deed of Trust.

8.7 No Further Encumbrances. Except for the Permitted Encumbrances and the lien and encumbrance of this Deed of Trust, Trustor shall not create, permit or suffer to exist, and, at Trustor's expense, will defend the Trust Estate and take such other action as is necessary to remove any lien, claim, charge, security interest, or encumbrance in or to the Trust Estate, or any portion of the Trust Estate.

8.8 No Conveyance of Property. Trustor shall not sell, convey, alienate, exchange, assign, encumber, transfer, or otherwise dispose of, voluntarily or involuntarily, the Property or any portion thereof, or any interest therein, to any person or entity without the prior written consent of Beneficiary, such consent to not be unreasonably withheld. In the event Trustor shall sell, convey, or alienate all or any portion of the Property, or any interest therein, in violation of the foregoing, or be divested of title to the Property in any manner, whether voluntarily or involuntarily, then the entire principal indebtedness of the Loan, as evidenced by the Note and the other Loan Documents, and all other Obligations secured by this Deed of Trust, irrespective of the maturity date expressed therein, at the option of Beneficiary, and without prior demand or notice, shall become immediately due and payable.

8.9 Application of Payments. If at any time during the term of this Deed of Trust Beneficiary receives or obtains a payment, installment, or sum which is less than the entire amount then due under the Note secured by this Deed of Trust and any of the other Loan Documents, then Beneficiary shall, notwithstanding any instructions which may be given by Trustor, have the right to apply such payment, installment, or sum, or any part thereof, to such of the items or Obligations then due from Trustor or to Beneficiary as Beneficiary, in Beneficiary's sole discretion, may determine.

8.10 Hazardous Materials. Trustor shall comply with all applicable federal, state, and local laws, regulations, rules, and ordinances governing the handling, storage, generation, transportation, and disposal of Hazardous Materials as the same affect or may affect the operation of Trustor's present business on or with respect to the Trust Estate. In addition, Trustor shall not, without the prior written consent of Beneficiary, undertake any new business venture or operation on or affecting the Trust Estate which now requires or may hereafter require compliance with any federal, state, or local law, regulation, rule, or ordinance governing Hazardous Materials. If requested by Beneficiary from time to time during the continuance of this Deed of Trust, Trustor shall submit to Beneficiary a report, in form satisfactory to Beneficiary, certifying that the Trust Estate is not being used in any regulated activities directly or indirectly involving the use, handling, storage, generation, transportation, and disposal of Hazardous Materials. Beneficiary reserves the right, in Beneficiary's sole and absolute discretion, if either (a) an Event of Default exists, or (b) Beneficiary reasonably believes that Hazardous Materials exist on or under the Property in violation of applicable laws, to retain, at Trustor's expense, an independent professional consultant to review any report prepared by Trustor and to conduct its own investigation of the Trust Estate. Trustor hereby grants to Beneficiary, its agents, employees, consultants, and contractors the right to enter upon the Trust Estate and to perform such tests as are reasonably necessary to conduct such a review or investigation.

8.11 Fixture Filing. This Deed of Trust shall be effective as a fixture filing from the date of recordation hereof in accordance with Section 70A-9a-502 of the Utah enactment of the Uniform Commercial Code. In connection therewith, the addresses of Trustor, as debtor ("Debtor"), and of Beneficiary, as secured party ("Secured Party"), are set forth below. The following address of Beneficiary, as the Secured Party, is also the address from which information concerning the security interest may be obtained by any interested party:

- | | | |
|-----|------------------------------------|---|
| (a) | Name and address of Debtor: | Zion Red Rock Villa, LLC
Justin Mabey
5513 West 11000 North, #222
Highland, Utah 84003 |
| (b) | Name and address of Secured Party: | Actium Rockville, LLC
111 East Broadway, Suite 390
Salt Lake City, Utah 84111 |

- (c) Description of the types (or items) of property covered by this Fixture Filing: See pages 1 through 5 above
- (d) Description of real estate subject to this Fixture Filing, to which the collateral is Attached or upon which it is located: See Exhibit "A" hereto.
- (e) Debtor's Utah entity registration number: 11582117-0160

Some of the above described collateral is or is to become fixtures upon the above described real estate, and this Fixture Filing is to be filed for record in the public real estate records. This Deed of Trust secures an obligation secured by real property and any fixtures thereon and shall be governed by the provisions of Section 70A-9a-502 of the Utah enactment of the Uniform Commercial Code.

ARTICLE IX CONDEMNATION AWARDS

Trustor shall promptly give notice to Beneficiary of any condemnation proceeding or any taking for public improvements. If the Trust Estate or any portion thereof should be taken or damaged by reason of any public improvement or condemnation proceeding, Beneficiary shall be entitled: (1) to receive all compensation, awards, and other payments or relief for such taking or condemnation; (2) at Beneficiary's option and in Beneficiary's own name, to commence, appear in, and prosecute in Beneficiary's own name any action or proceeding relating to such taking or condemnation; and (3) to make any compromise or settlement in connection with any such taking or condemnation. All such compensation, awards, damages, causes of action, proceeds, or other payments shall be deemed part of the security for the Obligations and are hereby assigned to Beneficiary. Beneficiary, after deducting therefrom all costs and expenses (regardless of the particular nature thereof and whether incurred with or without suit or before or after judgment), including reasonable attorney fees incurred by Beneficiary in connection with such compensation, shall apply any and all moneys so received by Beneficiary to restore or repair damage to the remaining Trust Estate, provided that any proceeds not so applied may be applied by Beneficiary, at Beneficiary's option, to reduce the indebtedness secured by this Deed of Trust (whether or not then due). The application or release by Beneficiary of any condemnation awards or other compensation shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any act done pursuant to such notice. Subject to the foregoing, Trustor shall execute and deliver to Beneficiary such further assignments of such compensation, awards, damages, causes of action, proceeds, or other payments as Beneficiary may from time to time require.

ARTICLE X ASSIGNMENT OF RENTS AND LEASES

10.1 Assignment. As additional security for the Obligations secured by this Deed of Trust, Trustor hereby assigns, sells, transfers and conveys to Beneficiary during the continuance of this Deed of Trust all contracts, leases, subleases, and agreements relating to the sale, lease, sublease or use of any portion of the Trust Estate or the Property, together with all sales

proceeds, rents, subrents, issues, royalties, income, and profits of and from the Trust Estate and all cleaning, security, and other deposits held or received by Trustor from tenants pursuant to the terms of any leases affecting the Property. Unless an Event of Default has occurred and is continuing, Trustor may collect and use all such sales proceeds, rents, subrents, issues, royalties, income, profits, and deposits, as they become due and payable, and may retain, use, and enjoy the Trust Estate. Upon the occurrence and continuance of an Event of Default hereunder, Trustor's right to collect and use any of such proceeds shall cease, and Beneficiary shall have the right, with or without taking possession of the Trust Estate, and either in person, by agent or through a court appointed receiver (Trustor hereby consents to the appointment of Beneficiary or Beneficiary's designee as such receiver), to sue for or otherwise collect all such sales proceeds, rents, subrents, issues, royalties, income, profits, and deposits, including those past due and unpaid. Any sums so collected, after the deduction of all out of pocket costs and expenses of operation and collection (regardless of the particular nature thereof and whether incurred with or without suit or before or after judgment), including reasonable attorney fees, shall be applied toward the payment of the Obligations. Such right of collection and use of such proceeds by Beneficiary shall obtain both before and after the exercise of the power of sale provisions of this Deed of Trust, the foreclosure of this Deed of Trust and throughout any period of redemption. The rights granted under this Section 10.1 shall in no way be dependent upon and shall apply without regard to whether all or a portion of the Trust Estate is in danger of being lost, removed, or materially injured, or whether the Trust Estate or any other security is adequate to discharge the Obligations secured by this Deed of Trust. Beneficiary's failure or discontinuance at any time to collect any of such proceeds shall not in any manner affect the right, power, and authority of Beneficiary thereafter to collect the same. Nothing contained herein, nor Beneficiary's exercise of Beneficiary's right to collect such proceeds, shall be, or be construed to be, an affirmation by Beneficiary of any contractual interest, tenancy, lease, sublease, option, or other interest in the Trust Estate or an assumption of liability under, or a subordination of the lien or charge of this Deed of Trust to any contractual interest, tenancy, lease, sublease, option or other interest in the Trust Estate. All purchasers, tenants, lessees, sublessees, and other persons who have any obligation to make any payment to Trustor in connection with the Trust Estate or any portion thereof are hereby authorized and directed to pay the rents, subrents, issues, royalties, income, profits, and other payments payable by them with respect to the Trust Estate, or any portion thereof, directly to Beneficiary on the demand of Beneficiary. Beneficiary's receipt of such sales proceeds, rents, subrents, issues, royalties, income, and profits shall be a good and sufficient discharge of the obligation of the purchaser, tenant, lessee, sublessee, or other person concerned to make the payment connected with the amount so received by Beneficiary.

10.2 No Waiver of Rights by Collection of Proceeds. The entering upon and taking possession of the Trust Estate or any portion of the Trust Estate or the collection of sale proceeds, rents, subrents, issues, royalties, income, profits, tenant deposits, proceeds of fire, and other insurance policies or compensation or awards for any taking or damaging of the Trust Estate, or the application or release thereof as aforesaid, shall not cure or waive any Event of Default or notice of default hereunder, shall not invalidate any act done pursuant to such notice of default, and shall not operate to postpone or suspend the obligation to make, or have the effect of altering the size of, any scheduled installments provided for in any of the Obligations secured by this Deed of Trust.

10.3 Indemnification. Trustor shall indemnify and hold Beneficiary harmless from and against all claims, demands, judgments, liabilities, actions, costs, and fees (including reasonable attorney fees and costs) arising from or related to receipt by Beneficiary of the sale proceeds, rents, subrents, issues, royalties, income, and profits from the Trust Estate or any portion of the Trust Estate, except negligent or willful acts of Beneficiary.

ARTICLE XI
EVENTS OF DEFAULT AND REMEDIES

11.1 Events of Default. The occurrence and continuance of any one of the following shall constitute an Event of Default under this Deed of Trust:

- (a) A "Default" under the Note (as defined in the Note), or failure by Trustor to observe and perform any term, covenant or condition to be observed or performed by Trustor contained in this Deed of Trust which is not cured within ten (10) days.
- (b) Any representation or warranty of Trustor contained in this Deed of Trust, the Note or any of the other Loan Documents was untrue when made.
- (c) A default by Trustor under the terms of any other Loan Document (including, without limit, any other promissory note, deed of trust, security agreement, undertaking, or arrangement between Trustor and Beneficiary now in existence or hereafter arising) beyond all applicable notice and grace periods.

11.2 Division of Trust Estate. Upon the occurrence and continuance of an Event of Default, Beneficiary, at Beneficiary's election and without any obligation to do so, may divide the Trust Estate into any number of parcels to facilitate the sale of the Trust Estate at a foreclosure sale. In connection therewith, Beneficiary may: (a) enter upon the Trust Estate and conduct or cause to be conducted inspections and surveys of the Trust Estate; (b) divide the Trust Estate in such manner as to segregate any Hazardous Materials into one or more distinct parcels; and (c) elect to sell at foreclosure sale only those portions of the Trust Estate that are not contaminated by or do not contain Hazardous Materials. Trustor hereby consents to any such division and sale of the Trust Estate.

11.3 Acceleration; Notice. Upon the occurrence and continuance of an Event of Default, Beneficiary shall have the option, in addition to any other remedy Beneficiary may have under the Loan Documents, to declare by notice to Trustor all sums secured by this Deed of Trust immediately due and payable and to have the Trust Estate sold in the manner provided herein. In the event Beneficiary desires to exercise the private power of sale provided hereunder, Beneficiary shall execute or cause Trustee to execute a written notice of default to cause the Trust Estate to be sold to satisfy the Obligations. Such notice shall be filed for record in Davis County, Utah.

11.4 Exercise of Power of Sale. After the lapse of such time as may then be required by law following the recordation of the notice of default, and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, except as provided by law and if directed by Beneficiary, shall sell the Trust Estate on the date and at the time and place designated in the notice of sale, either as a whole or in separate parcels, and in

such order as Beneficiary may determine (but subject to any statutory right of Trustor to direct the order in which the Property, if consisting of several known lots or parcels, shall be sold), at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause deemed expedient, postpone the sale from time to time until it shall be completed. In every such case, notice or postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale or as otherwise provided by law. Trustee shall execute and deliver to the purchaser a Trustee's Deed conveying the property so sold, but without any covenant or warranty, expressed or implied. The recitals in the Trustee's Deed of any matters or facts relating to the exercise of the power of sale and the sale of the Trust Estate shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale. Trustee shall apply the proceeds of the sale to payment of: (a) the costs and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's fees and attorney fees and costs; (b) all sums expended or advanced by Beneficiary in conjunction with any provisions of this Deed of Trust, not then repaid, with accrued interest thereon from the date of expenditure, at the default rate of interest provided in the Note; (c) all sums then secured by this Deed of Trust, including interest and principal on the Note; and (d) the remainder, if any, to the person or persons legally entitled thereto, or Trustee, in Trustee's discretion, may deposit the balance of such proceeds with the Clerk of the District Court of Washington County, Utah.

11.5 UCC Remedies. Beneficiary, with regard to the security interest in all Personalty granted to Beneficiary under the Granting Clauses of this Deed of Trust, shall have the right to exercise, from time to time, any and all rights and remedies available to Beneficiary, as a secured party under the Utah enactment of the Uniform Commercial Code, and any and all rights and remedies available to Beneficiary under any other applicable law. Beneficiary shall also have the right to dispose of the Personalty in connection with a foreclosure sale of the Property, whether the foreclosure sale is conducted by the Trustee in connection with the exercise of the private power of sale, or by a sheriff in connection with a judicial foreclosure of this Deed of Trust. Upon written demand from Beneficiary, Trustor shall, at Trustor's expense, assemble the Personalty and make the Personalty available to Beneficiary at the Property.

11.6 Foreclosure as a Mortgage. If an Event of Default occurs and continues hereunder, Beneficiary shall have the option to foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages on real property and Beneficiary shall be entitled to recover in such proceedings all costs and expenses incident thereto, including reasonable attorney fees and costs, in such amounts as shall be fixed by the court.

11.7 Receiver. If an Event of Default occurs and continues, Beneficiary, as a matter of right and without regard to the then value of the Trust Estate or the interest of Trustor therein, shall have the right upon notice to Trustor to apply to any court having jurisdiction over the subject matter to appoint a receiver or receivers of the Trust Estate. Any such receiver or receivers shall have all the usual powers and duties of a receiver and shall continue as such and may exercise all such powers until completion of the sale of the Trust Estate or the foreclosure proceeding, unless the receivership is sooner terminated.

11.8 No Remedy Exclusive. No remedy conferred upon or reserved to Beneficiary or Trustee under this Deed of Trust shall be exclusive of any other available remedy or remedies,

but each and every such remedy shall be cumulative and concurrent and shall be in addition to every other remedy given under this Deed of Trust, the Note, or the other Loan Documents or now or hereafter existing at law or in equity or by statute. Beneficiary and Trustee may exercise their remedies singly, successively, or concurrently against Trustor, any guarantor of Trustor's obligations under the Loan, the Trust Estate, and any other security for the Loan, at the sole and absolute discretion of Beneficiary. No delay or failure to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In addition, Beneficiary or Trustee may proceed concurrently against the Property and any guarantor, and may start, delay, postpone, cancel, or recommence any foreclosure proceeding (whether judicial or non-judicial) while pursuing such guarantors, all at the sole and absolute discretion of Beneficiary. No act of Beneficiary or Trustee shall be construed as an election to proceed under any particular remedy available to Beneficiary or Trustee under any Loan Document to the exclusion of any other remedy in the same or in any other Loan Document, or as an election of remedies to the exclusion of any other remedy which may then or thereafter be available to Beneficiary or Trustee.

11.9 Cross Default. The occurrence and continuance of an Event of Default under this Deed of Trust, the Note, any other Loan Document, or any other agreement or arrangement between Trustor and Beneficiary now existing or entered into hereafter, shall constitute a default under all such documents including, without limitation, this Deed of Trust, the Note, the other Loan Documents, as well as any other such agreement or arrangement.

11.10 Rights of Trustee. Trustee shall be entitled to rely on the instructions given by Beneficiary to Trustee relating to the exercise of the private power of sale authorized by this Deed of Trust. Trustor hereby acknowledges and agrees that Trustee shall act at the direction of Beneficiary and that Trustee is entitled to rely on directions from Beneficiary as to whether to commence non-judicial foreclosure of the Trust Estate, when to record a Notice of Default, whether and when to issue a Notice of Trustee's Sale, whether to postpone, conduct, cancel or re-notice any Trustee's Sale, and how much to bid in behalf of Beneficiary at any Trustee's Sale. Trustee shall have no authority, acting alone and without direction from Beneficiary, to commence, postpone, cancel, conduct, or re-notice a Trustee's Sale and may rely on information received from Beneficiary without independent investigation or confirmation of the facts as represented by Beneficiary. Trustor hereby waives any liability, damage, claim, or cause of action Trustor might have or assert against Trustee resulting from or arising out of Trustee's good faith reliance on the directions Trustee receives from Beneficiary.

11.11 Disposition of Proceeds After Foreclosure. In the event of a trustee's sale or foreclosure of the Deed of Trust as a mortgage, Actium Rockville, LLC and A. Jacob Andersen agree between themselves that A. Jacob Anderson shall be paid Two Hundred Ten Thousand Dollars (\$210,000) less any principal pay down received previously, out of the proceeds of any sale of the property to a third-party before any of the proceeds are paid to Actium Rockville, LLC. In the event the property is purchased by Beneficiary through a credit bid at a trustee's sale or foreclosure sale, A. Jacob Andersen shall have the right to designate the broker or agent for listing the property for sale.

ARTICLE XII
MISCELLANEOUS PROVISIONS

12.1 Notices. Except as otherwise provided in this Deed of Trust or in any other Loan Document, whenever Beneficiary, Trustee, or Trustor desire to give or serve any notice, demand, request, or other communication with respect to this Deed of Trust or any other Loan Document, each such notice shall be in writing and shall be effective only if the notice is delivered by personal service, by nationally-recognized overnight courier, or by certified mail, postage prepaid, addressed as follows:

If to Trustor, to: Zion Red Rock Villa, LLC
 Justin Mabey
 5513 West 11000 North, #222
 Highland, Utah 84003

If to Trustee, to: Meridian Title Company
 64 E 6400 S Suite 100
 Salt Lake City, UT 84107

If to Beneficiary, to: AP Rockville, LLC
 111 East Broadway, Suite 390
 Salt Lake City, Utah 84111

And to: A. Jacob Andersen
 2650 Coronado Cir.
 Idaho Falls, Idaho 83404

Any notice delivered personally or by courier shall be deemed to have been given when delivered. Any notice sent by certified mail shall be presumed to have been received five (5) business days after deposit in the United States mail, with postage prepaid and properly addressed. Any party may change its address by giving notice to the other party of its new address in the manner provided above.

12.2 Severability. If any provision of this Deed of Trust shall be held or deemed to be or shall, in fact, be illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions contained in this Deed of Trust or render the same invalid, inoperative, or unenforceable to any extent whatsoever.

12.3 Amendments, Changes, and Modifications. This Deed of Trust may not be amended, changed, modified, altered, or terminated without the prior written consent of both Beneficiary and Trustor.

12.4 Governing Law. This Deed of Trust shall be governed exclusively by and construed in accordance with the applicable laws of the State of Utah, without giving effect to principles of conflicts of laws.

12.5 Interpretation. Whenever the context shall require, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other

12.6 Binding Effect. This Deed of Trust shall be binding upon and shall inure to the benefit of the respective successors and assigns of Beneficiary and Trustor.

12.7 Waivers. Beneficiary's failure at any time or times hereafter to require strict performance by Trustor of any of the undertakings, agreements, or covenants contained in this Deed of Trust shall not waive, affect, or diminish any right of Beneficiary hereunder to demand strict compliance and performance therewith. Any waiver by Beneficiary of any Event of Default under this Deed of Trust shall not waive or affect any other Event of Default hereunder, whether such Event of Default is prior or subsequent thereto and whether of the same or a different type. None of the undertakings, agreements, or covenants of Trustor under this Deed of Trust shall be deemed to have been waived by Beneficiary, unless such waiver is evidenced by an instrument in writing signed by an officer of Beneficiary and directed to Trustor specifying such waiver.

12.8 Access. Beneficiary, or Beneficiary's authorized agents and representatives, is hereby authorized and shall have the right, at all reasonable times during the existence of this Deed of Trust and without prior written notice to Trustor, to enter upon the Trust Estate or any portion of the Trust Estate for the purpose of inspecting the Trust Estate or for the purpose of performing any of the acts that Beneficiary is authorized under this Deed of Trust to perform.

12.9 No Partnership. Nothing contained in this Deed of Trust or in any Loan Document shall be construed as creating a joint venture or partnership between Trustor, Trustee, and Beneficiary. There shall be no sharing of losses, costs, and expenses between Trustor, Trustee, and Beneficiary and neither Beneficiary nor Trustee shall have any right of control or supervision, except as Beneficiary and Trustee may exercise their rights and remedies provided hereunder and in the Loan Documents. In addition, Trustor bears the risk of diminution in value of the Property and the Improvements due to changes in market conditions. Neither Trustee nor Beneficiary shall be liable to Trustor for any loss or potential loss to Trustor that results from Trustor's or Beneficiary's exercise of their remedies under the terms of the Loan Documents including, but not limited to, claims based on delays in commencing or completing the foreclosure of the Property, claims that the commencement of foreclosure proceedings have adversely affected the marketability of the Property, or otherwise.

12.10 Successor Trustee. Beneficiary may appoint a successor trustee at any time by filing for record in the office of the county recorder of each county in which the Trust Estate or some part thereof is situated a substitution of trustee. From the time the substitution is filed of record, the new Trustee shall succeed to all the powers, duties, authority, and title of the Trustee named herein or of any successor trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made in the manner provided by law.

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

12.12 Resignation of Trustee. Trustee may resign as Trustee under this Deed of Trust by recording a resignation of trustee in the office of the county recorder of each county in which any part of the Property is located. A resignation of trustee shall not invalidate the lien and encumbrance of this Deed of Trust against the Trust Estate or cause any negative legal consequence to the resigning Trustee.

12.13 Request for Notice of Default. Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address set forth in Section 12.1 of this Deed of Trust.

12.14 Counterparts. This Deed of Trust may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts taken together shall constitute only one instrument.

12.15 Construction Mortgage. To the extent necessary to give effect to the terms and provisions of this Deed of Trust, this Deed of Trust shall be deemed to be a "construction mortgage" for purposes of Sections 70A-9a-334 and 70A-2a-309 of the Utah enactment of the Uniform Commercial Code.

12.16 Subrogation of Beneficiary. Beneficiary shall be subrogated to the lien of any previous encumbrance of the Property discharged with funds advanced by Beneficiary under the Loan Documents, regardless of whether such previous encumbrance has been released of record.

12.17 Future Advances. Trustor and Beneficiary agree and acknowledge that Beneficiary may elect to make additional advances under the terms of the Note or otherwise, and that any such future advances shall be subject to, and secured by, this Deed of Trust. Should the Obligations decrease or increase pursuant to the terms of the Note or otherwise, at any time or from time to time, this Deed of Trust shall retain its priority position of record until (a) the repayment or other termination of the Note; (b) the full, final, and complete payment of all the Obligations; and (c) the full release and termination of the liens and security interests created by this Deed of Trust.

DATED effective as of the date first above written.

TRUSTOR:

ZION RED ROCK VILLA, LLC,
a Utah limited liability company

By: [Signature]
Name: Justin Mabe
Title: Manager

STATE OF UTAH)
 : ss.
COUNTY OF Washington

The foregoing instrument was acknowledged before me this 23 day of January, 2020,
by Justin Mabe, who is a Manager of Zion Red Rock Villa LLC, a Utah limited
liability company.



[Signature]
NOTARY PUBLIC
Residing at St George UT

BENEFICIARY:

AP ROCKVILLE, LLC
a Utah limited liability company

By: [Signature] (SEE COUNTERPART)
Name:
Title: Manager

DATED effective as of the date first above written.

TRUSTOR:

ZION RED ROCK VILLA, LLC,
a Utah limited liability company

By: _____
Name:
Title: Manager

STATE OF UTAH)

COUNTY OF _____)
: ss.

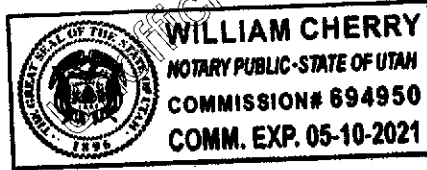
The foregoing instrument was acknowledged before me this _____ day of January, 2020,
by _____, who is a Manager of Zion Red Rock Villa LLC, a Utah limited
liability company.

NOTARY PUBLIC
Residing at _____

BENEFICIARY:

AP ROCKVILLE, LLC
a Utah limited liability company

By: Paul Clutter
Name: Paul Clutter
Title: Manager



STATE OF UTAH)
 : ss.
COUNTY OF Salt Lake

The foregoing instrument was acknowledged before me this 24 day of January, 2020,
by Pavel Christensen, who is a Manager of AP Rockville, LLC, a Utah limited liability
company.

[Signature]
NOTARY PUBLIC
Residing at Salt Lake City, UT

BENEFICIARY:

A. Jacob Andersen

STATE OF UTAH)
 : ss.
COUNTY OF _____)

<SEE COUNTERPART>

The foregoing instrument was acknowledged before me this _____ day of January, 2020,
by A. Jacob Andersen.

NOTARY PUBLIC
Residing at _____

STATE OF UTAH)
 : ss.
COUNTY OF _____)

<SEE COUNTERPART>

The foregoing instrument was acknowledged before me this _____ day of January, 2020,
by _____, who is a Manager of AP Rockville, LLC, a Utah limited liability
company.

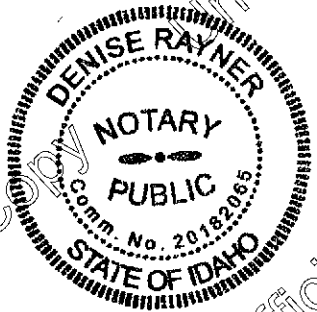
NOTARY PUBLIC
Residing at _____

BENEFICIARY:

A. Jacob Andersen
A. Jacob Andersen

STATE OF Idaho)
 : ss.
COUNTY OF Bonneville)

The foregoing instrument was acknowledged before me this 24th day of January, 2020
by A. Jacob Andersen.



Denise Rayner
NOTARY PUBLIC
Residing at Idaho Falls

EXHIBIT "A"

Commencing at the South Quarter Corner of Section 2, Township 42 South, Range 11 West, of the Salt Lake Base and Meridian; thence North 89°50'00" West, along the section line, 1,597.18 feet; thence North 00°00'00" East, 301.11 feet to the point of beginning; thence North 19°59'48" East, 507.18 feet; thence South 53°05'22" East, 59.68 feet; thence South 76°52'03" East, 41.90 feet; thence North 08°48'44" East, 26.78 feet; thence South 80°33'50" East, 48.40 feet; thence South 52°28'12" East, 24.01 feet; thence South 36°59'33" East, 24.61 feet; thence South 77°34'13" East, 90.27 feet; thence South 55°14'19" East, 30.04 feet; thence South 80°23'10" East, 129.66 feet; thence North 61°52'53" East, 79.82 feet; thence North 19°39'56" East, 375.43 feet; thence North 31°45'25" East, 70.58 feet; thence North 19°22'15" East, 220.36 feet to a point located on the 1/16th line; thence South 89°51'01" East, along said line, 395.14 feet; thence departing said line and running South 00°17'29" East, 170.90 feet; thence South 30°49'50" West, 251.18 feet; thence South 54°22'20" West, 228.61 feet; thence South 22°23'28" West, 223.69 feet; thence North 72°47'06" West, 219.72 feet; thence South 11°46'51" West, 14.81 feet; thence North 81°19'58" West, 33.66 feet; thence South 88°02'22" West, 41.71 feet; thence North 87°44'12" West, 123.99 feet to a curve to the left having a radius of 60.00 feet, and a Central Angle of 81°24'43"; thence southwesterly along said curve, 85.25 feet; thence South 10°51'05" West, 11.72 feet to a curve to the left having a radius of 75.00 feet, and a Central Angle of 28°13'25"; thence southerly along said curve, 36.94 feet to a point located on the centerline of and existing dirt road; thence along said centerline the following three (3) courses: South 17°22'20" East, 43.82 feet to a curve to the right having a radius of 150.00 feet, and a Central Angle of 42°43'27"; thence southerly along said curve, 111.85 feet; thence South 25°21'08" West, 112.16 feet; thence departing said line and running North 89°50'00" West, 375.84 feet to the point of beginning.

Together with an adequate easement for ingress and egress over and across the land located in the South 1/2 of the South 1/2 of Section 2, and the North 1/2 of the North 1/2 of Section 11, Township 42, Range 11 West, of the Salt Lake Base and Meridian. Said easement to run from the county road to Grafton to the land herein in said Section 2, said easement to be located along the existing road or at a location to be determined by mutual agreement between the parties hereto, or their heirs or assigns.

Together with a 20.00 foot wide ingress/egress easement as described in that certain Driveway Easement Deed, Document #20130045906, on file in the Washington County Recorder's Office.

Together with all appurtenant water rights including, without limitation, Utah Water Rights Nos. 81-4877 and 81-3770 and all ownership, use, possessory rights in said water rights or other rights arising pursuant to that certain Purchase Option Agreement dated April 13, 2017 by and between Gravity Capital, LLC and John Sanchez, and together with 2 shares of Rockville Town Ditch Company represented by Certificate No. 559 and any replacements thereof.

Tax ID: R-1248-E

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EXHIBIT "B"

PERMITTED ENCUMBRANCES

INSERT PERMITTED ENCUMBRANCES!

Permitted Exceptions

1. Taxes for the year 2020 are now a lien not yet due or payable. Taxes for the year 2019 have been paid. Property I.D. No. R-1248-E.
2. Said property is located within the boundaries of ROCKVILLE and is subject to the charges and assessments levied thereunder.
3. Rights of Way, Easements, Ditches, Canals or any other adverse matters which may be disclosed by Inspection or Survey of said Property.
4. Claim, right, title or interest to water or water rights whether or not shown by the public records.
5. All rights, titles or interests in minerals of any kind, oil, gas, coal or other hydrocarbons and the consequences of the right to mine or remove such substances including, but not limited to express or implied easements and rights to enter upon and use the surface of the land for exploration, drilling or extraction related purposes.

(This commitment/policy does not purport to disclose documents of record pertaining to the above referenced rights).

6. An Easement including its terms, covenants and provisions as disclosed by instrument;
 - To: Grafton Irrigation Company
 - Purpose: a perpetual easement and right of way 30 feet in width for operation and maintenance of a certain irrigation water pipeline, and related facilities
 - Recorded: May 13, 1986 as Entry No. 294218 in Book 412 at Page 275 of Official Records.

Affects: See document for full particulars

7. An Easement including its terms, covenants and provisions as disclosed by instrument;
 - To: Utah Power & Light Company
 - Purpose: a perpetual easement and right of way for the erection, operation, maintenance, repair, alteration, enlargement, inspection, relocation and replacement of electric transmission and distribution lines, communications circuits, fiber optic cables and associated facilities, and 2 poles and 1 guy anchor, with the necessary guys, stubs, crossarms, braces and other attachments affixed thereto, for the support of said lines and circuits, on, over, under and across
 - Recorded: November 23, 1988 as Entry No. 340746 in Book 504 at Page 339 of Official Records.

Affects: See document for full particulars

8. An Easement including its terms, covenants and provisions as disclosed by instrument;
 - Purpose: a right of way for a 10 foot wide easement for the purpose of installing and maintaining a culinary water line from an underground well to the easterly line of the Howard H. Sweeten and Sonja K. Sweeten property
 - Recorded: August 16, 1990 as Entry No. 369766 in Book 570 at Page 302 of Official Records.

Affects: See document for full particulars .

(Continued)

9. The terms, covenants and conditions of that certain Erosion Control Structure Easement;
Recorded: December 13, 2005 as Entry No. 991394 in Book 1824 at Page 1793 of Official
Records.

10. The terms, covenants and conditions of that certain Driveway Easement;
Recorded: December 16, 2013 as Entry No. 20130045906 of Official Records.

11. An Easement including its terms, covenants and provisions as disclosed by instrument;
To: PacifiCorp, an Oregon Corporation, dba Rocky Mountain Power
Purpose: an easement for a right of way 10 feet in width and 398 feet in length, more or
less, for the construction, reconstruction, operation, maintenance, repair, replacement, enlargement,
and removal of electric power transmission, distribution and communication lines and all necessary or
desirable accessories and appurtenances thereto, including without limitation, supporting towers,
pole, props, guys and anchors, including guys and anchors outside the right of way; wires, fibers,
cables and other conductors and conduits therefore; and pads, transformers, switches, vaults and
cabinets, along the general course now located by Grantee on, over, or under the surface of the real
property
Recorded: February 26, 2014 as Entry No. 20140005711 in Book at Page of Official
Records.

Affects: See document for full particulars

12. An Easement including its terms, covenants and provisions as disclosed by instrument;
To: PacifiCorp, an Oregon Corporation, dba Rocky Mountain Power
Purpose: an easement for a right of way 10 feet in width and 359 feet in length, more or
less, for the construction, reconstruction, operation, maintenance, repair, replacement, enlargement,
and removal of electric power transmission, distribution and communication lines and all necessary or
desirable accessories and appurtenances thereto, including without limitation, supporting towers,
pole, props, guys and anchors, including guys and anchors outside the right of way; wires, fibers,
cables and other conductors and conduits therefore; and pads, transformers, switches, vaults and
cabinets, along the general course now located by Grantee on, over, or under the surface of the real
property
Recorded: February 26, 2014 as Entry No. 20140005712 in Book at Page of Official
Records.

Affects: See document for full particulars