

853430

WHEN RECORDED, MAIL TO:

Nothing But Flowers

6441 Willow Creek Rd

Morgan, UT 84050

Tax I.D. # 12-111-0184  
12-111-0155

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

This Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("Deed of Trust") is made and entered into as of this 16 day of February, 2021, by Discovery Development, LLC, whose address is 67 South Main Street, Suite 300, Layton Utah, 84041 ("Trustor"), to STEWART TITLE COMPANY, INC., Layton Utah ("Trustee"), and in favor of Nothing But Flowers, a \_\_\_\_\_, whose address is 6441 Willow Creek Rd, Morgan, UT 84050, Attention: David Bailey ("Beneficiary").

This Deed of Trust is made pursuant to a Promissory Note of even date herewith by Trustor in favor of Beneficiary (as the same may be amended, modified, supplemented or restated from time to time, the "Promissory Note").

Trustor hereby irrevocably grants, transfers, conveys, warrants and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all of Trustor's right, title and interest, whether fee, leasehold, or otherwise, in and to the property described on Exhibit A hereto, which is incorporated herein by reference, situated in Davis County, State of Utah (the "Real Property").

Together with all of Trustor's right, title and interest in and to personal property of any kind or nature whatsoever, whether tangible or intangible, which is used or will be used, or is or will be placed upon, or is derived from or used in connection with, the maintenance, use, occupancy, or enjoyment of the Real Property or the improvements thereof (the "Improvements"), including, without limitation, all accounts, documents, instruments, chattel paper, furniture, appliances, equipment, fixtures, general intangibles, deposit accounts, electronic chattel paper, goods, investment property and inventory (as those terms are defined in the Uniform Commercial Code as in effect from time to time in the State of Utah, or any other jurisdiction, as applicable), all plans and specifications, contracts and subcontracts for the construction, reconstruction or repair of the Improvements, bonds, permits, licenses, guarantees, warranties, causes of action, judgments, claims, profits, security deposits, utility deposits, refunds of fees, insurance premiums, deposits paid to any governmental authority, letters of credit, insurance policies, insurance proceeds, taking proceeds, and escrowed funds together with all present and future attachments, accretions, accessions, replacements, and additions thereto and products and proceeds thereof (collectively, the "Personal Property").

Together with all buildings, fixtures, and improvements thereon; all waters and water rights on, relating, or appertaining thereto; all easements, licenses and rights of way relating or appertaining thereto; all rents, issues, royalties, income and profits appertaining thereto; all awards made for taking by eminent domain or any proceeding or purchase in lieu thereof; the proceeds of any insurance with regard thereto; all tenements, hereditaments, rights, privileges, and appurtenances belonging or relating thereto or any improvements thereon; and including any of the foregoing now existing or created or arising in the future (collectively, with the Real Property, the Improvements and the Personal Property, the "Property").

Trustor further agrees, represents, and covenants as follows:

1. Obligations Secured. This Deed of Trust secures the following debts, obligations, and liabilities to Beneficiary: (a) all Obligations (as defined below), but excluding those obligations expressly excluded pursuant to Section 8); and (b) any other transactions in which the documents evidencing the indebtedness refer to this grant of security interest as providing security therefor. As used herein, the term "Obligations" means and includes without limitation: (i) any and all obligations, indebtedness and liabilities of any of Trustor, whether individual, joint and several, absolute or contingent, direct or indirect, liquidated or unliquidated, now or hereafter existing, in favor of Lender including without limitation all unpaid principal of and accrued and unpaid interest (including any interest accruing after the filing of any petition in bankruptcy or the commencement of any proceeding relating to Trustor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) on the Promissory Note, all accrued and unpaid fees and all expenses (including all reasonable fees and expenses of counsel of Lender incurred and payable by Trustor pursuant to this Deed of Trust), reimbursements, indemnities and other obligations of Trustor to Lender or any indemnified party arising under the this Deed of Trust; and (ii) the due and punctual performance of all covenants, agreements, obligations and liabilities of Trustor under this Deed of Trust or under the Promissory Note, in each case, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising.

2. Representations and Warranties. Trustor represents and warrants to Trustee and Beneficiary that:

a. Trustor is the owner of fee simple title in and to the Real Property and has good marketable title in and to the Real Property.

b. The Real Property is free and clear of any liens, claims, encumbrances, restrictions, encroachments and interests whatsoever in favor of any third party, except (1) current taxes and assessments which are not yet due and payable, (2) rights of way, easements, and licenses which are recorded and of public record, and (3) matters approved by Beneficiary in writing as title exceptions to be shown in the title insurance policy to be issued to Beneficiary (collectively, the "Permitted Exceptions").

c. There are no outstanding options to purchase or rights of first refusal with respect to all or any portion of or any interest in the Property.

d. This Deed of Trust is and shall remain a valid and enforceable first lien on the Property subject only to the Permitted Exceptions.

e. The Real Property has been legally subdivided and is assessed for real estate tax purposes as one or more wholly independent tax lot or lots, separate from any adjoining land or improvements not constituting a part of such lot or lots, and no other land or improvements is assessed and taxed together with the Real Property or any portion thereof.

f. Trustor and the Property, and the use and operation thereof, comply in all material respects with applicable laws, rules, ordinances, and regulations, including, without limitation, building and zoning ordinances and codes and the Americans with Disabilities Act, as amended and now in effect. Trustor is not in default or violation of any order, writ, injunction, decree or demand of any governmental authority or agency, and Trustor has not received written notice of any such default or violation. There has not been committed by Trustor or, to Trustor's knowledge, any other person or entity in occupancy of or involved with the operation or use of the Property, any act or omission affording any such governmental authority or agency the right of forfeiture as against the Property, or any part thereof, or any monies paid in performance of Trustor's obligations under the Promissory Note.

g. No condemnation or similar proceeding has been commenced or, to Trustor's knowledge, is threatened or contemplated with respect to all or any portion of the Real Property or for the relocation of roadways providing access to the Real Property.

3. Maintenance and Preservation of Property. Trustor shall: (a) maintain the Property in good condition and repair, ordinary wear and tear excepted; (b) not commit or allow any waste of the Real Property; (c) complete promptly and in good and workmanlike manner any Improvement which may be constructed on the Real Property; (d) except to the extent that insurance proceeds are applied by Beneficiary to the satisfaction of the obligations secured by this Deed of Trust, restore promptly and in good and workmanlike manner any of the Property which may be damaged or destroyed; (e) comply at all times with all material laws, ordinances, regulations, covenants, and restrictions in any manner affecting the Property; (f) not commit or allow any act upon the Real Property in violation of law; and (g) do all acts which by reason of the character or use of the Property may be reasonably necessary to maintain and care for the Property.

Trustor shall not remodel, remove or modify any Improvements upon the Property except (a) in the ordinary course of Trustor's business and on the condition that such action will not reduce or impair the fair market value or utility of the Property, or (b) with the prior written consent of Beneficiary.

4. Insurance. Trustor shall secure and at all times maintain, at Trustor's expense, the insurance coverages of such type or types and amounts as Beneficiary may require, on the Improvements now existing or hereafter erected or placed on the Property. Such insurance shall be carried in companies approved by Beneficiary with loss payable clauses in favor of and in form acceptable to Beneficiary. In the event of loss, Trustor shall give immediate notice to

Beneficiary, who may make proof of loss, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary instead of to Trustor and Beneficiary jointly and the insurance proceeds, or any part thereof, may be applied by Beneficiary, at its option, to reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged.

5. Taxes and Assessments. Trustor shall pay at least 10 days before delinquency all taxes, assessments, and governmental charges and levies on the Property (including all assessments upon water company stock and all rents, assessments and charges for water, appurtenant to or used in connection with the Property), except such as are being contested in good faith by proper proceedings and as to which adequate reserves are maintained.

6. Utilities. Trustor shall pay when due all utility charges for gas, electricity, water, sewer, garbage collection, or other services provided to the Real Property.

7. Mechanic's and Materialmen's Liens.

a. Trustor shall timely comply with all requirements of Utah Code Ann. § 38-1a-101 et seq. with regard to filings and notices. Trustor shall provide to Beneficiary copies of all notices related to mechanics or materialmen liens filed by any party with respect to the Property.

b. Trustor shall pay and promptly discharge, at Trustor's cost and expense, all liens, encumbrances and charges upon the Property (except Permitted Exceptions), or any part thereof or interest therein whether inferior or superior to this Deed of Trust and keep and maintain the same free from the claim of all persons supplying labor, services or materials that will be used in connection with or enter into the construction of any and all buildings or improvements now being erected or that hereafter may be erected on the Real Property regardless of by whom such services, labor or materials may have been contracted unless otherwise authorized in writing by Lender.

c. If Trustor shall fail to remove and discharge any such lien, encumbrance or charge to the extent required in Section 7(b) above, or if Trustor shall dispute the amount thereof in contravention of the requirements hereof, then, in addition to any other right or remedy of Beneficiary, Beneficiary may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the release of the Property from the effect of such lien, encumbrance or charge. Trustor shall, immediately upon demand therefor by Beneficiary, pay to Beneficiary an amount equal to all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing right to discharge any such lien, encumbrance or charge, including costs of any Bond or additional security, together with interest thereon from the date of such expenditure at the Default Rate (as defined in Section 19), plus costs and attorneys fees.

8. Hazardous Materials. "Hazardous Materials" means: (a) "hazardous waste" as defined by the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.), including any future amendments thereto, and regulations promulgated thereunder, and as the term may be defined by any

contemporary state counterpart to such act; (b) "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.), including any future amendments thereto, and regulations promulgated thereunder, and as the term may be defined by any contemporary state counterpart of such act; (c) asbestos; (d) polychlorinated biphenyls; (e) underground or above ground storage tanks, whether empty or filled or partially filled with any substance; (f) any substance the presence of which is or becomes prohibited by any federal, state, or local law, ordinance, rule, or regulation; and (g) any substance which under any federal, state, or local law, ordinance, rule, or regulation requires special handling or notification in its collection, storage, treatment, transportation, use or disposal.

"Environmental Condition" means any condition involving or relating to Hazardous Materials and/or the environment affecting the Property, whether or not yet discovered, which could or does result in any damage, loss, cost, expense, claim, demand, order, or liability to or against Trustor or Beneficiary by any third party (including, without limitation, any government entity), including, without limitation, any condition involving or relating to Hazardous Materials affecting the Property resulting from the operation of Trustor's business and/or operations and any activity or operation conducted by any third party in the vicinity of the Property.

"Environmental Health and Safety Law" means any legal requirement that requires or relates to (including, without limitation, the Utah Underground Storage Tank Act, *Utah Code* § 19-6-401 et seq.):

- a. advising appropriate authorities, employees, or the public of intended or actual releases of Hazardous Materials, violations of discharge limits or other prohibitions, and of the commencement of activities, such as resource extraction or construction, that do or could have significant impact on the environment;
- b. preventing or reducing to acceptable levels the release of Hazardous Materials into the environment;
- c. reducing the quantities, preventing the release, or minimizing the hazardous characteristics of wastes that are generated;
- d. assuring that products are designed, formulated, packaged, and used so that they do not present unreasonable risks to human health or the environment when used or disposed of;
- e. protecting resources, species, or ecological amenities;
- f. use, storage, transportation, sale, or transfer of Hazardous Materials or other potentially harmful substances;
- g. cleaning up Hazardous Materials that have been released, preventing the threat of release, and/or paying the costs of such clean up or prevention; or

h. making responsible parties pay for damages done to the health of others or the environment or permitting self-appointed representatives of the public interest to recover for injuries done to public assets.

Trustor represents and warrants that, to the best of Trustor's knowledge no Hazardous Materials are now located on, in, or under the Property, nor is there any Environmental Condition on, in, or under the Property and, to the best of Trustor's knowledge, neither Trustor nor any other person has ever caused or permitted any Hazardous Materials to be placed, held, used, stored, released, generated, located or disposed of on, in or under the Property, or any part thereof, nor caused or allowed an Environmental Condition to exist on, in or under the Property, which may have a material impact or effect upon the financial or other condition of Trustor or Trustor's operations. Trustor further represents and warrants that, to the best of Trustor's knowledge, no investigation, administrative order, consent order and agreement, litigation or settlement with respect to Hazardous Materials and/or an Environmental Condition is proposed, threatened, anticipated or in existence with respect to the Property, which may have a material impact or effect upon the financial or other condition of Trustor or Trustor's operations.

Trustor will:

a. Not permit the presence, use, disposal, storage or release of any Hazardous Materials on, in, or under the Property, except in the ordinary course of Trustor's business under conditions that are generally recognized to be appropriate and safe and that are in material compliance with all applicable Environmental Health and Safety Laws.

b. Not permit any substance, activity or Environmental Condition on, in, under or affecting the Property which is in material violation of any Environmental Health and Safety Laws.

c. Comply with the material provisions of all Environmental Health and Safety Laws.

d. Promptly after learning of the same, notify Beneficiary of any material discharge of Hazardous Materials, Environmental Condition, or environmental complaint or notice received from any governmental agency or any other party.

e. Upon any material discharge of Hazardous Materials or upon the occurrence or discovery of any material Environmental Condition, promptly address the same in material compliance with all Environmental Health and Safety Laws, promptly pursue any responsible third parties, promptly pay any fine or penalty assessed in connection therewith, or diligently contest in good faith, and promptly notify Beneficiary of such events and of the actions being taken by Trustor to address and remedy the same.

f. From time to time upon request of Beneficiary, provide copies of all environmental inspections and reports in the possession of or available to Trustor concerning the Property.

g. Permit Beneficiary, at Beneficiary's expense, to inspect the Property for Hazardous Materials and Environmental Conditions, to conduct tests thereon, and to inspect all books, correspondence, and records pertaining thereto. Any such testing shall be done without unreasonable disruption of Trustor's business and testing will be done only upon reasonable grounds or after an Event of Default (as defined in Section 19).

h. If there has been a material spill or discharge of a Hazardous Material on the Property, upon Beneficiary's request, and at Trustor's expense, provide a report (including all validated and unvalidated data generated for such reports) satisfactory to Beneficiary in scope, form, and content, and provide to Beneficiary such other and further assurances reasonably satisfactory to Beneficiary, that Trustor is in compliance with these covenants concerning Hazardous Materials and Environmental Conditions, and that the violation thereof has been corrected in compliance with all applicable Environmental Health and Safety Laws. Beneficiary may also obtain an additional report from an independent environmental engineer selected by Beneficiary (the "Independent Report"). If the findings and conclusions in the Independent Report are materially different from those contained in the report provided by Trustor, all costs and expenses incurred with respect to the Independent Report shall be paid by Trustor. If the findings and conclusions contained in the Independent Report are substantially similar to those contained in the report provided by Trustor, then all costs and expenses incurred with respect to the Independent Report shall be paid by Beneficiary.

i. Promptly advise Beneficiary of any additional, supplemental, new, or other information concerning any Hazardous Materials or Environmental Conditions that could have a material adverse effect upon the value or marketability of the Property.

Trustor shall indemnify Beneficiary for any and all claims and liabilities, and for damages which may be awarded or incurred by Beneficiary, and for all reasonable attorneys fees, legal expenses, and other out-of-pocket expenses, arising from or related in any manner, directly or indirectly, to: (a) Hazardous Materials located on, in, or under the Property; (b) any Environmental Condition on, in, or under the Property; (c) violation of or non-compliance with any Environmental Health and Safety Law; (d) any breach or violation of the representations, warranties, and covenants contained in this Section; and/or (e) any activity or omission, whether occurring on or off the Property, whether prior to or during the term of the obligations secured hereby, and whether by Trustor or any other person or entity, relating to Hazardous Materials or an Environmental Condition affecting the Property. The indemnification obligations of Trustor under this Section shall survive any reconveyance, release, or foreclosure of this Deed of Trust, any transfer in lieu of foreclosure, and satisfaction of the obligations secured hereby.

Beneficiary shall have the sole and complete control of the defense of any such claims. Beneficiary is hereby authorized to settle or otherwise compromise any such claims as Beneficiary in good faith determines shall be in its best interests.

Notwithstanding anything to the contrary in this Deed of Trust, any indemnification amount owing to Beneficiary pursuant to this Section shall not be secured by the Property.

9. Defense of Title. Trustor shall keep the Property free and clear of any liens (other than Permitted Exceptions) for the supplying of services, labor or materials, unless Trustor is diligently contesting the validity of such lien or taking other actions authorized by Section 7. Trustor shall promptly discharge any lien, deed of trust, mortgage, or other encumbrance upon the Property which has or may have priority over or equality with this Deed of Trust. Upon request of Beneficiary, Trustor shall appear in and defend any action or proceeding purporting to affect the security hereof, the Property, or the rights or powers of Beneficiary or Trustee. Should Trustee or Beneficiary elect to appear in or defend any such action or proceeding, Trustor shall pay all costs and expenses, including costs of evidence of title and reasonable attorneys fees and legal expenses, incurred by Trustee and/or Beneficiary.

10. Right to Perform for Trustor. Other than Permitted Exceptions, to the extent that such liens are not covered by the specific provisions of Section 7, if not paid or discharged when due, and upon the failure by Trustor to pay or discharge within 30 days of its receipt of notice from Beneficiary of its intent to pay or discharge the same, Beneficiary may, in its sole discretion and without any duty to do so, (a) elect to discharge taxes, assessments, liens, deeds of trust, mortgages, or other encumbrances upon the Real Property which have or may have priority over or equality with this Deed of Trust, (b) perform any duty or obligation of Trustor, or (c) pay recording, insurance or other charges payable by Trustor or provide insurance if Trustor fails to do so. Any such payments advanced by Beneficiary shall be reimbursed by Trustor upon demand, together with interest thereon from the date of the advance until repaid, both before and after judgment, at the Default Rate.

11. Further Assurance. Trustor shall execute and deliver such further instruments and documents and do such further acts as may be necessary or as may be reasonably requested by Beneficiary to carry out the purposes of this Deed of Trust and to subject to the lien and mortgage created or intended to be created hereby any property, rights, or interests covered or intended to be covered by this Deed of Trust.

12. Attornment. All future lease agreements entered into by Trustor, as landlord, which pertain to the Real Property shall contain a covenant on the part of the tenant, enforceable by Beneficiary, obligating such tenant, upon request of Beneficiary, to attorn to and become a tenant of Beneficiary or any purchaser from Trustee or through foreclosure of this Deed of Trust, for the unexpired term of, and subject to the terms and conditions of, such future lease agreements.

13. Condemnation Awards; Damages. If the Real Property, the Improvements thereon, or any portion thereof should be taken or damaged by (i) reason of any public improvement or condemnation proceeding or (ii) fire, earthquake, or in any other manner, Beneficiary shall be entitled to all of Trustor's rights in and to compensation, awards, and other payments and relief therefor, and shall be entitled, at Beneficiary's option, to commence, appear in, and prosecute in Beneficiary's own name any action or proceeding, and to make any compromise or settlement, in connection with such taking or damage. Trustor shall promptly give notice to Beneficiary of any condemnation proceeding or any taking for public improvement. All such compensation, awards, and other payments including the proceeds of any policies of fire and other insurance affecting the Property and relief are hereby assigned to Beneficiary.



After deducting all costs and expenses, including reasonable attorneys fees and legal expenses, incurred by Beneficiary in connection with such compensation, awards, and other payments and relief, Beneficiary may, in its sole discretion and without any duty to do so, release such compensation or apply such compensation, or any portion thereof, on any of the obligations secured by this Deed of Trust, whether or not then due. Beneficiary shall have no obligation to apply such compensation to restore or repair damage to the Property, regardless of whether such taking has a significant adverse impact on the operation of the remaining portion of the Property. Trustor agrees to execute such further assignments of any compensation, award, damages, and rights of action and proceeds as Beneficiary or Trustee may require.

14. No Further Encumbrances. Other than Permitted Exceptions, Trustor shall not further encumber, mortgage or place any lien upon the Property, nor cause or allow by operation of law the encumbrance of the Property without the written consent of Beneficiary, even though such encumbrance may be junior to this Deed of Trust.

15. Evidence of Title. Trustor shall deliver to, pay for and maintain policies of title insurance and any supplements, modifications and endorsements thereof, in a form, amount and from an insurer acceptable to Beneficiary.

16. Access. Beneficiary and Beneficiary's representatives are hereby authorized and shall have the right during the existence of this Deed of Trust, to enter upon the Property to inspect the Property and to perform any of the acts authorized under this Deed of Trust.

17. Assignment of Rents. As additional security for the obligations secured by this Deed of Trust, Trustor hereby assigns to Beneficiary, during the time until this Deed of Trust is reconveyed to Trustor, all rents, issues, royalties, income and profits of the Property. Until the occurrence of any Event of Default, Trustor shall have the right to collect and retain all rents, issues, royalties, income and profits of the Property. Upon the occurrence of any Event of Default, at the election of Beneficiary, the right of Trustor to collect and retain such rents, issues, royalties, income and profits shall cease and Beneficiary shall have the right, with or without taking possession of the Property, to collect and retain all such rents, issues, royalties, income and profits. Any sums so collected, after the deduction of all costs and expenses of operation and collection, including reasonable attorneys fees and legal expenses, shall be applied toward the payment of the obligations secured by this Deed of Trust. Such right of collection 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 shall in no way be dependent upon and shall apply without regard to whether all or a portion of the Property is in danger of being lost, removed, or materially injured, or whether the Property 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 rents, issues, royalties, income and profits shall not in any manner affect the right, power, and authority of Beneficiary thereafter to collect the same.

Neither any provision contained herein, nor Beneficiary's exercise of its right to collect such rents, issues, royalties, income and profits, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease, sublease, option, or other interest in the Property, or an

assumption of liability under, or a subordination of this Deed of Trust to, any tenancy, lease, sublease, option, or other interest in the Property. All tenants, lessees, sublessees and other persons who have any obligation to make any payment to Trustor in connection with the Property are hereby authorized and directed to make such payments directly to Beneficiary upon the demand of Beneficiary. Beneficiary's receipt of such rents, issues, royalties, income, and profits shall be a discharge of the obligation of the tenant or other person obligated to make the payment.

Collection by Beneficiary of such rents, issues, royalties, income, and profits shall not cure or waive any Event of Default under this Deed of Trust.

The rights and obligations of Beneficiary and Trustor in connection with such assignment described in this Section shall be governed by the Utah Uniform Assignment of Rents Act set forth in Utah Code Ann. Section 57-26-1 *et seq.*, as amended from time to time.

18. Security Agreement; Financing Statements. Trustor hereby grants to Beneficiary a security interest in the Personal Property, wherever located, now owned or existing or hereafter acquired or created. This Deed of Trust constitutes and shall be deemed to be a "security agreement" for all purposes of the Uniform Commercial Code. Beneficiary shall be entitled to all the rights and remedies of a "secured party" under the Uniform Commercial Code.

Trustor hereby irrevocably authorizes Beneficiary at any time and from time to time to file or record in any filing office in any Uniform Commercial Code jurisdiction, or in any county recorder's office or other public office for recording of public land records, any initial financing statements and amendments thereto that (a) indicate the Personal Property: (i) as all assets of Trustor or words of similar effect, regardless of whether any particular asset comprised in the Personal Property falls within the scope of Article 9 of the Uniform Commercial Code, or (ii) as being of an equal or lesser scope or with greater detail, and (b) provide any other information required by Part 5 of Article 9 of the Uniform Commercial Code for the sufficiency or filing office acceptance of any financing statement or amendment, including (1) whether Trustor is an organization, the type of organization and any organization identification number issued to Trustor, and (2) in the case of a financing statement filed as a fixture filing or indicating Personal Property as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Personal Property relates. Trustor agrees to furnish any such information to Beneficiary promptly upon request. Trustor also ratifies its authorization for Beneficiary to have filed in any Uniform Commercial Code jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof. Trustor hereby authorizes Beneficiary to file, record, or otherwise utilize such documents as it deems necessary to perfect and/or enforce any security interest or lien granted hereunder. Trustor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement without the prior written consent of Beneficiary and agrees that it will not do so without the prior written consent of Beneficiary, subject to Trustor's rights under Section 9-509(d)(2) of the Uniform Commercial Code. Trustor will pay the cost of recording and filing the same in all public offices wherever recording or filing is deemed by Beneficiary to be necessary or desirable.

Trustor represents and warrants to Beneficiary as follows: (i) Trustor's exact legal name is as indicated in the introductory paragraph hereof and on the signature page hereof, (ii) Trustor is an organization of the type, and is organized in the jurisdiction set forth in the introductory paragraph hereof, (iii) Trustor's organizational identification number is as set forth on Exhibit B hereto, and (iv) the address listed in the introductory paragraph hereof accurately sets forth Trustor's place of business or, if more than one, its chief executive office, as well as Trustor's mailing address, if different. Trustor covenants with Beneficiary as follows: (A) without providing at least 30 days' prior written notice to Beneficiary, Trustor will not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number if it has one; (B) if Trustor does not have an organizational identification number and later obtains one, Trustor shall forthwith notify Beneficiary of such organizational identification number; and (C) Trustor will not change its type of organization, jurisdiction of organization or other legal structure.

This Deed of Trust shall constitute a financing statement pursuant to *Utah Code* § 70a-9-502(b), and shall be filed as a fixture filing in the Official Records of the County Register of the County in which the Property is located and covers goods which are or are to become fixtures on the Property.

19. Default. The occurrence of any one of the following shall constitute an event of default hereunder (an "Event of Default"):

a. Any representation or warranty made by or on behalf of Trustor in this Deed of Trust is materially false or materially misleading when made;

b. Trustor fails in the payment or performance of any obligation, covenant, agreement or liability created by or contemplated by Promissory Note, this Deed of Trust or any other instrument secured by this Deed of Trust.

No course of dealing or any delay or failure to assert any Event of Default shall constitute a waiver of that Event of Default or of any prior or subsequent Event of Default. Upon an Event of Default, all Obligations not then previously repaid shall accrue interest at a rate equal to twelve percent (12%) per annum (the "Default Rate") from date of such Event of Default.

20. Notice of Default. Upon the occurrence of an Event of Default, Beneficiary may elect to have the Property sold in the manner provided herein and under applicable law. Beneficiary may execute or cause Trustee to execute a written notice of default and of election to cause the Property to be sold to satisfy the obligations secured hereby. Trustee shall file such notice for record in the office of the county recorder of the county where the Property is located. Notwithstanding anything to the contrary in the foregoing, all procedures shall be conducted in compliance with applicable law.

21. Sale by Trustee Pursuant to Power of Sale. After the lapse of such time as may then be required by *Utah Code* § 57-1-24 or other applicable law following the recordation of the notice of default, and notice of default and notice of sale having been given as then required by *Utah Code* §§ 57-1-24 and 57-1-25 or other applicable law, Trustee, without demand on Trustor, shall sell the Property on the date and at the time and place designated in the notice of sale, either

as a whole or in separate parcels in such order as Beneficiary may determine (but subject to any statutory right under *Utah Code* § 57-1-27 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 or on such other terms as are set forth in the notice of sale. The person conducting the sale may, for any cause deemed expedient, postpone the sale from time to time until it shall be completed. The postponement and notice of postponement shall be given as then required by law.

Beneficiary may bid at the sale and shall receive a credit on Beneficiary's bid up to the amount owing to Beneficiary secured by this Deed of Trust and as provided by law. Trustor agrees that (i) all default rate interest, late charges, prepayment premiums, breakage fees and other amounts owing under the Promissory Note, if any, in addition to amounts constituting principal and non-default interest, owing from time to time under the Promissory Note constitute a part of and be entitled to the benefits of Beneficiary's lien upon the Property, and (ii) Beneficiary may add all such amounts to the principal balance of the Promissory Note, and in either case Beneficiary may include all such amounts in any credit bid Beneficiary may make at a foreclosure sale of the Property pursuant to this Deed of Trust.

Trustee shall execute and deliver to the purchaser a Trustee's Deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in the Trustee's Deed of any matters or facts shall constitute prima facie evidence of the truthfulness thereof and are conclusive evidence in favor of bona fide purchasers and encumbrances for value and without notice. 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 costs and reasonable attorneys fees and legal expenses actually incurred; (b) cost of any evidence of title procured in connection with such sale; (c) all sums expended under the terms hereof in conjunction with any default provision hereunder, not then repaid, with accrued interest at the Default Rate; (d) all obligations secured by this Deed of Trust; and (e) 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 for the county in which the sale took place as provided by law. If the proceeds are deposited with the Clerk of the District Court, Trustee shall file an affidavit with the clerk setting forth the facts of the deposit and a list of all known claimants, including known addresses. Upon depositing the balance and filing the affidavit, Trustee shall be discharged from all further responsibility and the clerk shall deposit the proceeds with the state treasurer subject to the order of the district court. Notwithstanding anything to the contrary in the foregoing, all procedures shall be conducted in compliance with applicable law.

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

22. Surrender of Possession. If possession has not previously been surrendered by Trustor, Trustor shall surrender possession of the Property to the purchaser immediately after the Trustee's sale.

23. Foreclosure as a Mortgage. 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 incidental thereto, including reasonable attorneys fees and legal expenses, in such amounts as shall be fixed by the court.

24. Receiver. If an Event of Default occurs, Beneficiary shall have the right, without regard to the then value of the Property or the interest of Trustor therein, upon notice to Trustor, to apply to any court having jurisdiction to appoint a receiver of the Property. Trustor hereby irrevocably consents to such appointment and further consents to and approves Beneficiary as such receiver. Any such receiver shall have all the usual powers and duties of a receiver and shall continue as such and exercise all such powers until completion of the sale of the Property or the foreclosure proceeding, unless the receivership is sooner terminated.

25. Deficiency. Trustor agrees to pay any deficiency arising from any cause, to which Beneficiary may be entitled after applications of the proceeds of any trustee's sale, and Beneficiary may commence suit to collect such deficiency in accordance with *Utah Code* § 57-1-32 or other applicable law.

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

27. No Remedy Exclusive. The rights and remedies herein conferred are cumulative and not exclusive of any other rights and remedies and shall be in addition to every other right, power and remedy herein specifically granted or hereafter existing at law, in equity, or by statute which Trustee or Beneficiary might otherwise have, and any and all such rights and remedies may be exercised from time to time and as often and in such order as Trustee or Beneficiary may deem expedient. No delay or omission in the exercise of any such right, power or remedy or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver thereof or of any Event of Default or to be an acquiescence therein.

28. Due on Sale. If Trustor shall either sell, convey or transfer the Property, or any part thereof, without the prior written consent of Beneficiary, or be divested of title in any manner except by proceedings in eminent domain, whether voluntarily or involuntarily, the obligations secured by this Deed of Trust shall, at the option of Beneficiary and without demand or notice, immediately accelerate and become due and payable in full. If Beneficiary exercises this option to accelerate, Beneficiary shall give Trustor written notice of such acceleration. Such notice shall provide a period of not less than 30 days from the date the notice is given within which Trustor may pay the sums declared due. If Trustor fails to pay such sums within such period, Trustor shall be in default and Beneficiary may exercise its remedies hereunder.

29. Other Collateral/Cross-Collateralization. The obligations secured by this Deed of Trust may also be secured by other collateral not identified in this Deed of Trust. Without limitation to any other right or remedy provided to Beneficiary and/or Trustee in this Deed of Trust or the Promissory Note, Trustor acknowledges and agrees that: (i) upon the occurrence of an Event of Default, to the fullest extent permitted by law, Beneficiary and Trustee shall have the right to pursue all of its rights and remedies in one proceeding, or separately and independently in separate proceedings which Beneficiary or Trustee, as applicable, in its sole and absolute discretion, shall determine from time to time; (ii) neither Beneficiary nor Trustee shall be required to either marshal assets, sell any collateral for the Loan in any inverse order of alienation, or be subjected to any "one action" or "election of remedies" law or rule; (iii) the exercise by Beneficiary or Trustee of any remedies against any of the collateral for the Loan shall not impede Beneficiary or Trustee from subsequently or simultaneously exercising remedies against the collateral for the Loan; and (iv) all liens and other rights, remedies and privileges provided to Beneficiary and Trustee herein or otherwise shall remain in full force and effect until each of Beneficiary and Trustee has exhausted all of its remedies against the collateral for the Loan and all of the collateral for the Loan has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Loan.

30. Fees and Expenses. Trustor agrees to pay all costs, fees and expenses, including all reasonable attorneys' fees and legal expenses incurred by or on behalf of Trustee and/or Beneficiary in enforcement of this Deed of Trust, in exercising any rights and remedies arising from an Event of Default, or otherwise related to an Event of Default. In furtherance of the foregoing, Trustor agrees to pay all expenses, including reasonable attorneys fees and legal expenses, incurred by Trustee and/or Beneficiary in any bankruptcy proceedings in which Trustor is the debtor or the Property or any interest therein is property of the bankruptcy estate, including, without limitation, expenses incurred in modifying or lifting the automatic stay, assuming or rejecting leases, determining adequate protection, use of cash collateral, or relating to any plan of reorganization. All amounts owed by Trustor under this Section shall without notice accrue interest from date of expenditure at the rate of twelve percent (12%) per annum until paid, and the repayment thereof shall be secured hereby.

31. Indemnification. Trustor hereby agrees to indemnify Trustee and Beneficiary for all liabilities and damages (including contract, tort and equitable claims) which may be awarded against Trustee and Beneficiary, and for all reasonable attorneys fees, legal expenses and other expenses incurred in defending such claims, arising from or relating in any manner to the negotiation, execution or performance by Trustee or Beneficiary of this Deed of Trust (including all reasonable attorneys fees, legal expenses and other expenses incurred in defending any such claims brought by Trustor if Trustor does not prevail in such actions), other than for such liabilities and damages resulting from Trustee's or Beneficiary's gross negligence or willful misconduct and excluding only breach of contract by Trustee or Beneficiary. Trustee or Beneficiary shall have sole and complete control of the defense of any such claims and is hereby given authority to settle or otherwise compromise any such claims as Trustee or Beneficiary in good faith determines shall be in its best interests.

32. Notices. All notices or demands by any party hereto shall be in writing and shall be sent by certified mail, return receipt requested. Notices so mailed shall be deemed received two business days after deposit in a United States post office box, postage prepaid, properly

addressed to the mailing addresses set forth below or to such other addresses as Trustor, Trustee or Beneficiary may from time to time specify in writing. Any notice so addressed and otherwise delivered shall be deemed to be given upon the earlier of (i) two business days after deposit in a United States post office box or (ii) when actually received by the addressee.

Trustor:

Discovery Development  
67 South Main Street, Suite 300  
Layton, UT 84041  
Attention: \_\_\_\_\_

Trustee and Beneficiary:

Nothing But Flowers  
\_\_\_\_\_  
6441 Willow Creek Rd  
\_\_\_\_\_  
Morgan, UT 84050  
\_\_\_\_\_  
Attention: David Bailey

33. Actions by Trustee. At any time and from time to time upon written request of Beneficiary, payment of its fees and, in the case of full reconveyance, presentation of this Deed of Trust and the Promissory Note secured hereby which are paid in full, without affecting the liability of any person for the payment of the indebtedness secured hereby, Trustee may: (a) make a survey, map or plat of the Property; (b) join in granting any easement or creating any restriction on or relating to the Property; (c) join in any subordination or other agreement affecting this Deed of Trust which is authorized in writing by Beneficiary; and (d) reconvey, without warranty, all or any part of the Property upon written request of Beneficiary or as provided by law. The grantee in any reconveyance may be described as "the person or persons entitled thereto", and the recitals therein of any matters or facts shall constitute prima facie evidence and are conclusive evidence in favor of bona fide purchasers and encumbrances for value and without notice. Trustor agrees to pay reasonable Trustee's fees, including reasonable attorneys fees and legal expenses, for any of such services.

34. Substitution of Trustee. Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of the county where the Property is situated, with a copy thereof being provided to the persons required by *Utah Code* § 57-1-22 or any successor statute, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee and all other information required by *Utah Code* § 57-1-22 or any successor statute.

35. 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 a party, unless brought by Trustee.

36. Request for Notice. Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address for Trustor provided in Section 32.

37. Revival Clause. If the incurring of any debt by Trustor or the payment of any money or transfer of property to Beneficiary by or on behalf of Trustor or any guarantor should for any reason subsequently be determined to be "voidable" or "avoidable" in whole or in part within the meaning of any state or federal law (collectively "voidable transfers"), including, without limitation, fraudulent conveyances or preferential transfers under the United States Bankruptcy Code or any other federal or state law, and Beneficiary is required to repay or restore any voidable transfers or the amount or any portion thereof, or upon the advice of Beneficiary's counsel is advised to do so, then, as to any such amount or property repaid or restored, including all reasonable costs, expenses, and attorneys fees of Beneficiary related thereto, the liability of Trustor and any guarantor, and each of them, and this Deed of Trust, shall automatically be revived, reinstated and restored and shall exist as though the voidable transfers had never been made.

38. Amendments; Waivers; Etc. This Deed of Trust cannot be modified, changed or discharged except by an agreement in writing, duly acknowledged in proper form for recording, signed by Trustor and Beneficiary.

39. General. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Utah.

All references in this Deed of Trust to the singular shall be deemed to include the plural and vice versa. References in the collective or conjunctive shall also include the disjunctive unless the context otherwise clearly requires a different interpretation.

All agreements, representations, warranties and covenants made by Trustor shall survive the execution and delivery of this Deed of Trust, the filing and consummation of any bankruptcy proceedings, and shall continue in effect so long as any obligation to Beneficiary secured by this Deed of Trust is outstanding and unpaid. All agreements, representations, warranties and covenants in this Deed of Trust shall bind the party making the same and its heirs and successors, and shall be to the benefit of and be enforceable by each party for whom made and their respective heirs, successors and assigns.

[Signature Page(s) Follow]





## EXHIBIT "A" LEGAL DESCRIPTION

File No.: 853430-2

### Phase 3 Legal Description

A parcel of land, situate in the Northeast Quarter of Section 26, Township 4 North, Range 2 West, Salt Lake Base and Meridian, said parcel also located in Layton City, Davis County, Utah. Being more particularly described as follows:

Beginning at a point on the South line of Windmill Subdivision Phase 1, said point being South 00° 11'56" West 1049.64 feet along the section line and North 89° 48'04" West 358.69 feet (NAD83 bearing: South 0° 32'44" West along the section line between the Northeast and East Quarter Corner of said Section 26 per the Davis County Township Reference Plat) from the Northeast corner of said section 26 and running thence:

South 00° 11'54" West 717.31 feet;  
thence North 89° 18'00" West 469.31 feet to the Southeast corner of lot 218, Windmill Subdivision Phase 2;  
thence North 00° 42'45" East 160.06 feet along the East line of said Windmill Subdivision Phase 2;  
thence North 00° 12'31" East 553.18 feet to the South line of Windmill Subdivision Phase 1;  
thence South 89° 47'29" East 140.03 feet along the South line of said Windmill Subdivision Phase 1;  
thence South 89° 48'04" East 327.73 feet along said South line of Windmill Subdivision Phase 1 to the Point of Beginning.

Contains: 334,732 square feet or 7.684 acres and comprising 19 new lots

EXHIBIT B

FINANCING STATEMENT INFORMATION

The Beneficiary/Secured Party is:

Nothing But Flowers  
6441 Willow Creek Rd  
Morgan, UT 84050  
Attention: David Bailey

The Debtor is:

Discovery Development, 67 S Main Street, Suite 300, Layton, UT 84041

Type of Organization: \_\_\_\_\_

Jurisdiction of Organization: \_\_\_\_\_

Organizational Identification No.: \_\_\_\_\_

The Collateral is the Personal Property (including all fixtures) described in the Deed of Trust.