

When Recorded Return To:
Stearns Bank National Association
9225 East Shea Blvd.
Scottsdale, AZ 85260

13763350
9/2/2021 2:27:00 PM \$40.00
Book - 11233 Pg - 2672-2702
RASHELLE HOBBS
Recorder, Salt Lake County, UT
COTTONWOOD TITLE
BY: eCASH, DEPUTY - EF 31 P.

144997-NTF
0735-476-007

**CONSTRUCTION
DEED OF TRUST
AND
SECURITY AGREEMENT
AND
FIXTURE FINANCING STATEMENT
AND
ASSIGNMENT OF RENTS**

THIS CONSTRUCTION DEED OF TRUST AND SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT AND ASSIGNMENT OF RENTS (hereinafter referred to as the "**Deed of Trust**") is made effective as of August 27, 2021, by **SLC TP TX, LLC**, a Texas limited liability company which has as its mailing address 8762 Preston Trace Boulevard, Frisco, TX 75033, as trustor and debtor ("**Trustor**") to **STEARNS BANK NATIONAL ASSOCIATION**, a national banking association, which has as its mailing address 9225 East Shea Boulevard, Scottsdale, Arizona 85260, as secured party ("**Beneficiary**"), and Cottonwood Title Insurance Agency, Inc. which has as its mailing address 1996 East 6400 South, Suite 120, Salt Lake City, Utah 84121 ("**Trustee**").

RECITALS

A. Trustor is the owner of the land ("**Land**") located at 140 N. Apollo Rd., Salt Lake City, Utah legally described on **Exhibit A** to this Deed of Trust.

B. Trustor has requested a loan (the "**Loan**") in the amount of up to \$13,094,970.00 to be used, together with funds of Trustor and funds of PACE Equity, LLC, to pay for the acquisition of the Land and to pay Construction Costs and FF&E Costs for the construction and equipping of a 4-story, 112-room, TownePlace Suites hotel (the "**Hotel**") including, without limitation, business center, sundries shop, swimming pool, breakfast room, fitness room, vending and ice machines, meeting room, guest laundry and other amenities typical for the TownePlace Suites brand (the "**Project**") on the Land.

C. The Loan will be governed by a Construction and Business Loan Agreement ("**Loan Agreement**"), evidenced by a Promissory Note ("**Note**") in the original principal amount of \$13,094,970.00, and secured by, among other things, by this Deed of Trust. This Deed of Trust, the Note, the Loan Agreement, and all other documents evidencing, securing, effectuating, or modifying the Loan are collectively referred to as the "**Loan Documents**".

To secure: (i) the payment of the debt, as evidenced by the terms of the Loan Agreement and further evidenced by the Note issued by the Trustor to the order of the Beneficiary, together with all extensions, amendments and renewals thereof, plus interest thereon at the rates stated in the Note (as the same may hereafter be extended); (ii) for and to secure the payment to the Beneficiary, its successors and assigns, at the times demanded and with interest thereon at the same rate(s) specified in the Note of all sums advanced protecting the lien of this Deed of Trust; (iii) payment of taxes on the "Premises" (as hereinafter defined); (iv) payment of insurance premiums covering all improvements thereon; (v) payment of principal and interest on prior liens; (vi) payment of reasonable out-of-pocket expenses and reasonable out-of-pocket attorneys' fees herein provided for and all sums advanced for any other purpose authorized herein or authorized by law (all such sums, together with interest thereon, are hereinafter collectively referred to as the "**Secured Indebtedness**"); and (vii) for and to secure the performance of all the covenants and agreements contained in the Note and this Deed of Trust, and any other Loan Documents (except for the Environmental Indemnity Agreement), and any extensions, amendments and renewals thereof and in consideration of the sum of \$1.00 paid by Trustee to the Trustor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Trustor does irrevocably hereby, GRANT, BARGAIN, SELL AND CONVEY unto the Trustee, its successors and assigns, forever, in trust and with the power of sale for the benefit of the Beneficiary and GRANTS A SECURITY INTEREST to and presently ASSIGNS to the Trustee, its successors and assigns, the following properties (all of the following being hereafter collectively referred to as "**Premises**");

A. REAL PROPERTY

The Land, together with all the estates and rights in and to the Land and in and to lands lying in any and all streets, lanes, alleys, passages and roads adjoining the Land, and together with all buildings, structures, improvements, fixtures, annexations, access rights, easements, rights of way or use, servitudes, licenses, tenements, hereditaments, appurtenances, minerals, mineral rights, water and water rights, now or hereafter belonging or pertaining to the Land; and

B. PERSONAL PROPERTY

All interest of Trustor in all buildings, structures, equipment, fixtures, improvements, building supplies and materials and personal property now or hereafter owned by Trustor or now or hereafter attached to, located in, placed in or necessary to the use of the improvements on the Premises including, but without being limited to,

- (i) all furniture, furnishings, goods, equipment, inventory, cleaning supplies,
- (ii) all machinery, fittings, fixtures, apparatus, equipment or articles used to supply heating, gas, electricity, air conditioning, water, light, waste disposal, power, refrigeration, ventilation, and fire and sprinkler protection, as well as all elevators, escalators, motors, overhead cranes, hoists and assists, engines and machinery, boilers, ranges, furnaces, oil burners or units thereof, communication or intercom systems, dynamos, transformers,

(iii) all furnishings, decorations, appliances, supplies, draperies maintenance and repair equipment, floor coverings, screens, storm windows, blinds, awnings shades, locks, fences, trees, shrubbery and plants, and

(iv) all renewals, replacements, proceeds, additions, extensions improvements, betterments, accessories, increases, parts, fittings and substitutes thereof,

together with all interest of Trustor in any such items hereafter acquired, and all products and proceeds thereof, including without limitation all accounts, instruments, chattel paper, other rights to payment, money, insurance proceeds and general intangibles related to the foregoing property, and all refunds of insurance premiums due or to become due under all insurance policies covering the foregoing property; and

C. LEASES, RENTS, ISSUES AND PROFITS

All leases, rents, issues and profits now due or which may hereafter become due under or by virtue of any present or future lease, license, sublease, or agreement, whether written or verbal, whether as lessor or lessee, for the use or occupancy of the Premises or any part thereof, whether before or after foreclosure or sale or during any redemption period after foreclosure or sale and the Trustee hereby shall have the power irrevocably to take possession of the Premises, manage, control, operate and lease the Premises and collect such leases, rents, issues and profits; and

D. JUDGMENTS AND AWARDS

Any and all awards or compensation made by any governmental or other lawful authorities for the taking or damaging by eminent domain of the whole or any part of the Premises or rights appurtenant thereto, including any awards for a temporary taking, change of grade of streets or taking of access; and

E. CONTRACT RIGHTS AND RIGHTS TO PAYMENT

All rights, now and in the future, to the payment of money including, but not limited to: (a) payment for goods and other property sold or leased or for services rendered, whether or not earned by performance; and (b) rights to payment arising out of all present and future debt instruments, chattel paper, accounts, loans and obligations receivable. The above includes any rights and interests (including all liens and security interests) by law or agreement against any account debtor or obligor of Trustor; and

F. GENERAL INTANGIBLES

All general intangibles including, but not limited to, tax refunds, applications for patents, patents, copyrights, trademarks, trade secrets, good will, trade names, customer lists, permits and franchises, and service contracts; and

G. GOVERNMENT PAYMENTS AND PROGRAMS

All payments, accounts, general intangibles, or other benefits (including, but not limited to, payments in kind, deficiency payments, letters of entitlement, warehouse receipts, storage payments, emergency assistance payments, diversion payments, and reserve payments) in which Trustor now has and in the future may have any rights or interest and which arise under or as a result of any preexisting, current or future Federal or state governmental program;

H. OTHER

To the extent not already provided, all inventory, equipment, general intangibles (including but not limited to all software and all payment intangibles) accounts (including but not limited to all health-care-insurance receivables), chattel paper, instruments (including but not limited to all promissory notes), letter-of-credit rights, letters of credit, documents, goods, deposit accounts, investment property, money, and other rights to payment and performance; and all oil, gas and other minerals before extraction; all oil, gas, other minerals and accounts constituting as-extracted collateral; all fixtures; all timber to be cut; all attachments, accessions, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to the foregoing property, and all additions, replacements of and substitutions for all or any part of the foregoing property; all insurance refunds relating to the foregoing property; all good will relating to the foregoing property; all records and data and embedded software relating to the foregoing property, and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media; and all supporting obligations relating to the foregoing property; all whether now or existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property; and all products and proceeds (including but not limited to all insurance payments) of or relating to the foregoing property;

AND

I. AFTER-ACQUIRED PROPERTY

All right, title, and interest of the Trustor in and to extensions, improvements, betterments, renewals, substitutes, replacements of, and all additions and appurtenances to the items or types of property described in Sections A through H above, which are hereafter acquired by or released to the Trustor, or are hereafter constructed, assembled or placed by the Trustor on the Premises, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement, or conversion, as the case may be, and which in each such case, without any further mortgage, conveyance, assignment, or other act by the Trustor, shall become subject to the lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by the Trustor and specifically described in the granting clause hereof, but at any and all times the Trustor will execute and deliver to the Trustee any and all such further assurances, mortgages, conveyances, or assignments thereof as the Trustee may reasonably require for the purpose of expressly and specifically subjecting the same to the lien of this Deed of Trust.

TO HAVE AND TO HOLD the Premises unto the Trustee forever.

This Deed of Trust constitutes a "construction mortgage" within the meaning of Utah Code Ann. §70A-9a-334, and for the purpose of this statute, "completion of construction" shall not be deemed to have occurred until completion of all work and installation or incorporation into the improvements of all materials for which sums secured hereby are disbursed.

This Instrument is a Trust Deed executed in conformity with the Utah Trust Deed Act, UCA 57-1-19, et seq.

NOTICE TO TRUSTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.

ARTICLE I

TRUSTOR'S REPRESENTATIONS, WARRANTIES COVENANTS AND AGREEMENTS

The Trustor makes the following representations, warranties, covenants and agreements with the Trustee and Beneficiary:

1.1 Good Title; Covenant to Defend. The Trustor represents, warrants and covenants to and with the Trustee and Beneficiary that: (a) the Trustor is the lawful owner of and has good and marketable title to the Premises in fee simple, free and clear of all liens and encumbrances, except for: (i) the encumbrances set forth on **Exhibit B** attached hereto and made a part hereof, and any additional declaration, conditions, restriction or easement Beneficiary consents (the "**Permitted Encumbrances**"); (b) the Trustor has the right and lawful authority to grant, sell, transfer and convey the Premises to the Trustee, as provided herein; (c) the Trustor owns or will own all chattels and improvements installed on the Premises and the same shall be free and clear of all liens and claims, except those specifically set forth on **Exhibit B** attached hereto; (d) this Deed of Trust is and shall remain a valid and enforceable lien on the Premises, subject only to the Permitted Encumbrances; (e) subject only to the Permitted Encumbrances, the Trustor will preserve its fee title to the Premises, and will warrant and defend such fee title against all claims and demands of all persons and parties whomsoever; (f) all buildings, structures and other improvements now or hereafter located on the Land are, or will be, located entirely within the boundaries of the Land and are set back from said boundaries in accordance with all applicable zoning and "set-back" laws and ordinances (compliance as a legal non-conforming use is acceptable); and (g) the present or contemplated use of the Premises complies with all applicable zoning laws and ordinances; and (h) the execution of this Deed of Trust has been duly authorized by Trustor and no provision of Trustor's operating agreement or other agreement requires consent of Trustor's members (except that which has been obtained) to the execution and delivery of this Deed of Trust.

1.2. Performance of the Note and Deed of Trust. The Trustor shall: (i) duly and punctually pay each and every installment of principal and interest and all other sums to become due under and in accordance with the Note, at the time and place and in the manner specified by the Note; (ii) pay all other Secured Indebtedness, as and when the same shall become due; and (iii) duly and punctually perform and observe all of the covenants, agreements and provisions contained herein, in the Note, in the Loan Agreement and in any other instrument given as

security for the payment of the Note. No payment or collection of any of the Secured Indebtedness shall reduce the amount secured by this Deed of Trust.

1.3. Care of Premises; No Waste. The Trustor shall, at all times, keep and maintain the Premises in good condition, repair and operating condition, and shall not commit, or suffer to be committed, any waste or misuse of the Premises, and shall promptly repair, restore or replace, any buildings, improvements or structures now or hereafter placed or located on the Premises which may become damaged or destroyed. The Trustor shall not, without the prior written consent of the Beneficiary and subject to the contemplated demolition of existing improvements and construction of the contemplated Project as contemplated by or set forth in the Loan Agreement: (i) expand any improvements on the Premises, (ii) erect any new improvements, (iii) other than in the case of replacement or repairs, remove or permit the removal of any buildings, structures or other material improvements or fixtures, or (iv) otherwise make any material alterations in any improvements which will alter the basic structure, negatively affect the market value, or change the existing architectural character of the Premises, and the Trustor will complete within a reasonable time any structures which are now or at any time in the process of erection. The Trustor will not acquiesce in any rezoning classification, modification or public or private restriction which in any way limits or otherwise affects the Premises, or any material part thereof.

1.4. Payment of Utilities and Operating Costs. Subject to Section 1.9 hereof, the Trustor shall pay, or cause to be paid, when due, all charges made for electricity, gas, heat, water, sewer, and all other utilities and operating costs and expenses, received, furnished or used in connection with the Premises, and will, upon request by the Beneficiary, furnish proper receipt showing payment therefor.

1.5. Liens. Subject to Section 1.9 hereof, the Trustor shall pay or cause to be paid, from time to time when the same shall become due, all lawful claims and demands of mechanics, materialmen, laborers, and others which, if unpaid, might result in, or permit the creation of a lien on the Premises, or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom, and in general will do or cause to be done everything necessary so that the lien of this Deed of Trust shall be fully preserved, at the cost of the Trustor, without expense to the Beneficiary. The Trustor, shall not do, or permit to be done, anything that may in anyway impair the value of the Premises, or weaken, diminish, or impair the security of this Deed of Trust. Should any fixture be installed to the Premises from or after the date hereof, the lien of this Deed of Trust shall immediately attach to said fixture and shall be prior and superior to all other liens or claims. The Trustor will promptly perform and observe, or cause to be performed or observed, all of the material terms, covenants, and conditions of all Permitted Encumbrances, the noncompliance with which may affect the security of this Deed of Trust, or may impose the duty or obligation upon the Trustor or any sublessee or occupant of the Premises or any part thereof, and the Trustor shall do or cause to be done all things necessary to preserve intact and unimpaired all easements, appurtenances, and other interests and rights in favor of or constituting any portion of the Premises.

1.6. Property Taxes and Assessments. Trustor shall pay or cause to be paid all real and personal property taxes and assessments on or before the date on which said payments become due and owing, and any penalties and interest thereon.

1.7 Taxation of Deed of Trust. In the event of a court decree or an enactment after the date hereof by any legislative authority of any law imposing upon a trustee or beneficiary the payment of the whole or any part of the amounts herein required to be paid by the Trustor, or changing in any way the laws relating to the taxation of deeds of trust or debts secured by deeds of trust or a trustee or beneficiary's interest in the Premises, so as to impose such imposition on the Trustee or Beneficiary or on the interest of the Trustee or Beneficiary in the Premises, then, in any such event, the Trustor shall bear and pay the full amount of such imposition, provided that if for any reason payment by the Trustor of any such imposition would be unlawful, or if the payment thereof would constitute usury or render the Secured Indebtedness wholly or partially usurious, the Beneficiary, at its option, may declare the whole sum secured by this Deed of Trust with interest thereon to be immediately due and payable, without prepayment premium, or the Beneficiary, at its option, may pay that amount or portion of such impositions as renders the Secured Indebtedness unlawful or usurious, in which event the Trustor shall concurrently therewith pay the remaining lawful and nonusurious portion or balance of said imposition. The provisions of this Section 1.7 are not intended to address income taxes.

1.8. Compliance with Laws. Subject to Section 1.9 hereof, the Trustor shall comply with all material present and future laws, ordinances, regulations, covenants, conditions and restrictions affecting the Premises or the operation thereof, and shall pay all fees or charges of any kind in connection therewith. The Trustor shall not, by act or omission, permit any property which is not subject to this Deed of Trust to rely on the Premises or any part thereof or any interest therein to fulfill any governmental requirement for the character or use of such property; and the Premises shall not rely on any property which is not subject to this Deed of Trust to fulfill any governmental requirement for the character or use of the Premises.

1.9. Permitted Contests. Notwithstanding any provision of this Deed of Trust to the contrary, the Trustor shall not be required to: (a) pay any charge referred to Section 1.4 hereof; (b) discharge or remove any lien, encumbrance or charge referred to in Section 1.5 hereof; (c) pay the tax, assessment or other charge referred to in Section 1.6 or 1.7 hereof; or (d) comply with any statute, law, rule, regulation or ordinance referred to in Section 1.8 hereof, so long as the Trustor shall in good faith contest the same or the validity thereof by appropriate legal proceedings which shall operate to prevent the collection of the imposition so contested, or the sale, forfeiture or loss of the Premises, or any part thereof to satisfy the same, and further provided that the Trustor shall, prior to the date such imposition is due and payable, have given the Beneficiary such reasonable security as may be demanded by the Beneficiary to ensure such payments and prevent any sale or forfeiture of the Premises by reason of such nonpayment. If any claim of lien is recorded that affects the Premises or any stop notice is served upon Beneficiary, Trustor, within thirty (30) days after such recording of a claim or lien or twenty (20) days after service of a stop notice, shall either: (i) pay the claim on which the lien or stop notice is based and obtain the discharge of the lien or stop notice; (ii) obtain the release of the lien or stop notice by recording and/or serving a surety bond in accordance with applicable law; or (iii) provide Beneficiary with such other security or assurances as Beneficiary, in its discretion, may require to ensure payment of the claim on which the lien or stop notice is based and to protect Beneficiary and the Premises from the effect of such lien or stop notice. Any such contest shall be prosecuted with due diligence and the Trustor shall, after final determination thereof,

promptly pay the amount of any such imposition so determined, together with all interest and penalties which may be payable in connection therewith. Notwithstanding the provisions of this Section 1.9, the Trustor shall (and if the Trustor shall fail so to do, the Beneficiary may but shall not be required to) pay any such imposition notwithstanding such contest if, in the reasonable opinion of the Beneficiary, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed.

1.10. Duty to Defend. The Trustor shall promptly notify the Beneficiary of and appear in and defend any suit, action or proceeding that materially affects the value of the Premises, the Secured Indebtedness, or any right or interest of the Trustee or the Beneficiary under this Deed of Trust. The Beneficiary may, at its option, elect to appear in or defend any such action or proceeding, and the Trustor agrees to indemnify and reimburse the Beneficiary from any and all loss, damage, expense or cost arising out of, or incurred in connection with any such suit, action or proceeding, including, but not limited to, costs of evidence of title and reasonable out-of-pocket attorneys' fees.

1.11. Insurance Coverage. The Trustor shall obtain and keep in full force and effect during the term of this Deed of Trust at its sole cost and expense, the following policies of insurance:

a. "Special Forms Peril" hazard insurance with extended coverage, including the cost of debris removal, together with a vandalism and malicious mischief endorsement and explosion and sprinkler leakage clauses, and equipment breakdown insurance, all in the amounts of not less than (a) the outstanding balance of the Loan, (b) full insurable value or (c) full replacement cost, without deduction for depreciation, of the improvements on the Premises, whichever is greater, covering all buildings, structures, fixtures, personal property and other improvements now existing or hereafter erected or placed on the Premises. Coverage should include "Contingent Liability from Operations of the Building Laws" coverage, "Demolition Costs" coverage, "Increased Cost of Construction" coverage, "Increased Time to Rebuild" coverage and "Earthquake and Earth Movement" coverage and coverage against loss caused by fire, windstorm, lightning, hail, explosion, riot, civil commotion, aircraft, vehicle, marine, smoke, builders risk during construction, and property damage. There should be no exclusion for "Collapse". The deductible may not exceed \$10,000.00.

b. Comprehensive commercial general liability insurance covering the legal liability of the Trustor against claims for bodily injury, property damage, personal injury, contractual liability, independent contractors, and products-completed operations liability occurring on, in or about the Premises in at least the amount of \$5,000,000.00 for each occurrence. The deductible may not exceed \$10,000.00. The commercial general liability insurance policy shall name Trustor as an insured, provide coverage on an "occurrence" rather than a "claims made" basis, and shall include an additional insured endorsement naming Beneficiary and a severability of interest provision.

c. While any improvement is in the course of being constructed or rebuilt on the Land, Trustor shall provide the aforesaid hazard insurance in builder's risk completed value form, including coverage available on the so-called "all-risk" non-reporting form of

policy for an amount equal to 100% of the insurable replacement value of such building or other improvement.

d. If the Premises includes steam boilers or other equipment for the generation or transmission of steam, insurance against loss or damage by explosion, rupture or bursting of steam boilers, pipes, turbines, engines and other pressure vessels and equipment, in an amount satisfactory to Beneficiary, without a co-insurance clause.

e. If the Land or any part thereof is located in a designated official flood-hazardous area, flood insurance insuring the improvements now existing or hereafter erected on the Land in an amount equal to the lesser of the outstanding principal balance of the Indebtedness or the maximum limit of coverage made available with respect to such Improvements under the Federal Flood Disaster Protection Act of 1973, as amended, and the regulations issued thereunder.

f. Such workers' compensation insurance as is required by statute.

g. During any period of construction, comprehensive general public liability insurance covering the legal liability of the general contractor against claims for bodily injury, death or property damage in at least the amount of \$5,000,000.00.

h. Such other insurance as may from time to time be reasonably required by Beneficiary in order to protect the interest of Beneficiary.

i. Such other insurance as may be required by Marriott International, Inc. or any other franchisor or licensor of the Hotel located on the Land.

In the event of the entry of judgment of foreclosure, sale of the Premises by non-judicial foreclosure sale or delivery of a deed in lieu of foreclosure, Beneficiary hereby is authorized (without the consent of Trustor) to assign any and all policies to the purchaser or transferee thereunder, or to take such other steps as Beneficiary may deem advisable to cause the interest of such transferee or purchaser to be protected by any of the policies without credit or allowance to Trustor for prepaid premiums thereon.

All policies of insurance required pursuant to Section 1.11: (i) shall contain a standard noncontributory Deed of Trust clause naming Beneficiary as the person to which all payments made by such insurance company shall be paid, (ii) shall be maintained throughout the term of this Deed of Trust without cost to Beneficiary, (iii) shall be assigned and delivered to Beneficiary, (iv) shall contain such provisions as Beneficiary deems reasonably necessary or desirable to protect the interests of Beneficiary, including, without limitation, endorsements providing that neither Trustor, Beneficiary nor any other party shall be a co-insurer under said policies and that Beneficiary shall receive at least thirty (30) days prior written notice or, if the risk is reinsured, at least ninety (90) days prior written notice, of any modification, reduction or cancellation, (v) shall be for a term of not less than one year, (vi) shall be issued by an insurer licensed in the State of California, (vii) shall provide that Beneficiary may, but shall not be obligated to, make premium payments to prevent any cancellation, endorsement, alteration or reissuance, and such payments shall be accepted by the insurer to prevent same, (viii) shall be satisfactory in form and substance to Beneficiary and shall be approved by Beneficiary as to

amounts, form, risk coverage, deductibles, loss payees and insureds, and (ix) shall provide that all claims shall be allowable on events as they occur. All insurance policies and renewals thereof maintained by Trustor pursuant to subsections 1.11.a, c through e and h above shall contain a standard Deed of Trust clause in favor of and in form acceptable to Beneficiary. The insurance maintained pursuant to subsections 1.11.b and f shall name Beneficiary as an additional insured. Upon demand therefor, Trustor shall reimburse Beneficiary for all of Beneficiary's reasonable costs and expenses incurred in obtaining any or all of said policies or otherwise causing the compliance with the terms and provisions of this Section 1.11, including (without limitation) obtaining updated flood hazard certificates and replacement of any so-called "forced placed" insurance coverages. All policies required pursuant to Section 1.11.a shall be issued by an insurer with a claims paying ability rating of "A" or better by Standard & Poor's Ratings Services. Trustor shall pay the premiums for such policies as the same become due and payable. If Trustor receives from any insurer any written notification or threat of any actions or proceedings regarding the non-compliance or non-conformity of the Premises with any insurance requirements, Trustor shall give prompt notice thereof to Beneficiary.

Trustor will deliver to Beneficiary copies of policies satisfactory to Beneficiary evidencing the insurance which is required under subsections 1.11 a, c through e and h, and certificates evidencing the insurance which is required under subsections 1.11.b, and Trustor shall promptly furnish to Beneficiary copies of all renewal notices and all receipts of paid premiums received by them. At least 30 days prior to the expiration date of a required policy, Trustor shall deliver to Beneficiary a copy of a renewal policy in form satisfactory to Beneficiary.

1.12. Notice of Damage. The Trustor shall give the Beneficiary prompt notice of any damage to or destruction of the Premises or any part thereof and authorizes the Beneficiary to make proof of loss if not made promptly by the Trustor. In case of loss covered by policies of insurance (either before or after any foreclosure sale), the Beneficiary is hereby authorized at its option and without the consent of the Trustor to settle, adjust and compromise any claim arising out of such policies, and to collect and receive the proceeds payable therefrom; provided, that the Trustor may instead adjust and collect for any losses arising out of a single occurrence aggregating not in excess of \$50,000.00. Any expense incurred by the Beneficiary in the adjustment and collection of insurance proceeds (including the cost of any independent appraisal of the loss or damage on behalf of the Beneficiary) shall be reimbursed to the Beneficiary first out of any proceeds. The remaining proceeds shall be applied to reduction of the Secured Indebtedness then most remotely to be paid, whether due or not, without the application of any prepayment premium, or to the restoration or repair of the Premises, the choice of such application to be governed by Section 1.13.

1.13 Application of Insurance Proceeds. Subject to Trustor's rights to adjust claims under Section 1.12 above, all sums paid under any policy required by subsections 1.11 a. and c through e shall be paid directly to Beneficiary. Beneficiary shall, upon Trustor's request, apply such sums (after first deducting therefrom Beneficiary's reasonable expenses incurred in collecting the same, including reasonable out-of-pocket attorneys' fees) to such restoration or repair (the "**Restoration**") upon satisfaction of the following conditions:

- (i) No Event of Default or event that, but for the passing of time or the giving of notice, or both, would be an Event of Default, shall have occurred and be continuing at the time of such request.
- (ii) Prior to commencing the Restoration, other than temporary work to protect property or prevent interference with business, Beneficiary shall have been furnished and shall have approved (A) the plans and specifications for the Restoration, (B) Trustor's choice of an architect or engineer for the purpose of supervising the Restoration, (C) a sworn construction statement duly executed by Trustor, showing all costs and expenses of any kind incurred or estimated to be incurred in completing the Restoration, (D) a copy of each contract let by Trustor relating to completion of the Restoration, and (E) evidence satisfactory to Beneficiary that all required permits for completion of the Restoration have been obtained.
- (iii) Trustor shall deposit with Beneficiary the difference, if any, between the cost of the Restoration and the amount of the insurance proceeds available for such purpose.
- (iv) The Premises can, in Beneficiary's judgment, with diligent restoration or repair, be returned to an economic unit not less valuable and not less useful than the Premises was prior to the casualty within the earlier to occur of (A) nine months after receipt of the insurance proceeds by either Trustor or Beneficiary and (B) the stated maturity date of the Note.
- (v) Trustor shall authorize Beneficiary to disburse such funds and such proceeds in installments as work progresses and to pay fees and charges of any title insurance company engaged as disbursing agent, including but not limited to fees in connection with title searches as to mechanics' liens arising in connection with the Restoration, fees of any architect or engineer engaged by Beneficiary to review the plans and specifications for the Restoration and to make periodic inspections of the Restoration, and reasonable out-of-pocket attorney's fees incurred by Beneficiary in connection with the Restoration.
- (vi) Each request for a draw of such funds shall be limited to the total costs of Restoration actually incurred to the date of such draw request, minus such holdback as Beneficiary may reasonably require, and minus prior disbursements made by Beneficiary to Trustor in connection with any previous draw made in connection with the Restoration.
- (vii) At the time of submission of any draw request, Trustor shall submit to Beneficiary a search prepared by a title insurance company acceptable to Beneficiary, showing that no mechanic's liens appear of record with respect to the Premises that have not been discharged of record.
- (viii) To the extent that the cost of completing the Restoration, as estimated at any time and from time to time by Beneficiary in good faith, shall exceed the proceeds and

funds then held by Beneficiary for such Restoration, Trustor shall promptly deposit with Beneficiary an amount equal to such excess. Beneficiary may disburse such deposited sums prior to further disbursement of any insurance proceeds.

- (ix) Trustor shall have provided to Beneficiary such zoning letters, surveys and other documentation as Beneficiary shall reasonably require to establish that upon completion of the Restoration the Premises shall (i) be in compliance with all applicable laws, regulations and ordinances, and (ii) shall have access to public streets which Beneficiary shall determine either is identical to or better than the access to the Premises which existed prior to the event which necessitated the Restoration.

In all other cases, namely, in the event that Trustor does not elect to restore or repair the Premises pursuant to the above provisions of this Section 1.13 or otherwise fails to meet the requirements of clauses (i) through (ix) above, then, in any such event, Beneficiary may, in its sole discretion and notwithstanding the adequacy of its security, either make such proceeds available to Trustor for the Restoration upon the conditions and in accordance with such procedures as Beneficiary may require, or apply the proceeds toward reduction of the Indebtedness, in such order of application as Beneficiary may determine. Any application of insurance proceeds to the principal of the Note shall not extend or postpone the due dates of the principal installment payments due under the Note or change the amount of any such installments.

Trustor shall promptly reimburse Beneficiary upon demand for all of Beneficiary's reasonable expenses incurred in connection with the collection of the insurance proceeds, including but not limited to reasonable out-of-pocket attorneys' fees, and all such reasonable expenses, together with interest from the date of disbursement at an annual rate equal to the rate under the Note (unless collection of interest from Trustor at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Trustor under applicable law) shall be additional amounts secured by this Deed of Trust.

1.14. Condemnation.

- (a) Trustor hereby irrevocably assigns to Beneficiary any award or payment which becomes payable to Trustor on account of the Premises by reason of any taking of the Premises, or any part thereof, whether directly or indirectly or temporarily or permanently, in or by condemnation or other eminent domain proceedings (hereinafter called "**Taking**"). Forthwith upon receipt by Trustor of notice of the institution of any proceeding or negotiations for a Taking, Trustor shall give notice thereof to Beneficiary. Beneficiary may appear in any such proceedings and participate in any such negotiations and may be represented by counsel. Trustor, notwithstanding that Beneficiary may not be a party to any such proceeding, will promptly give to Beneficiary copies of all notices, pleadings, judgments, determinations and other papers received by Trustor therein. Trustor will not enter into any agreement permitting or consenting to the taking of the

Premises, or any part thereof, or providing for the conveyance thereof in lieu of condemnation, with anyone authorized to acquire the same in condemnation or by eminent domain unless Beneficiary shall first have consented thereto in writing. All Taking awards shall be adjusted jointly by Trustor and Beneficiary. All awards payable as a result of a Taking shall be paid to Beneficiary, which may, at its option, apply them, after first deducting Beneficiary's reasonable expenses incurred in the collection thereof, to the payment of the Indebtedness, whether or not due and in such order of application as Beneficiary may determine, or to the repair or restoration of the Premises, in such manner as Beneficiary may determine. Notwithstanding the previous sentence, any award payable as a result of a Taking that Beneficiary reasonably believes will last no longer than six (6) months, after deducting Beneficiary's reasonable expenses incurred in the collection thereof, shall be applied by Beneficiary first to make improvements necessitated by such Taking and then in accordance with the previous sentence. Any application of Taking awards shall not extend or postpone the due dates of any regularly scheduled payment or mandatory prepayment payable under the Note or change the amount of any such payment or prepayment.

(b) If the Taking involves the taking of any Improvement now or hereafter located on the Land, Trustor shall proceed, with reasonable diligence, to demolish and remove any ruins and complete repair or restoration of the Premises as nearly as possible to its respective size, type and character immediately prior to the Taking, whether or not the condemnation awards are available or adequate to complete such repair or restoration. Trustor shall promptly reimburse Beneficiary upon demand for all of Beneficiary's reasonable expenses (including reasonable out-of-pocket attorney's fees) incurred in the collection of awards and their disbursement in accordance with this Section, and all such reasonable expenses, together with interest from the date of disbursement at the Note Rate under the Note (unless collection of interest from Trustor at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Trustor under applicable law) shall be additional amounts secured by this Deed of Trust.

1.15. Hazardous Substances. "**Toxic or Hazardous Substances**" shall be interpreted broadly to include, but not be limited to, any material or substance that is defined or classified under federal, state, or local laws as: (a) a "hazardous substance" pursuant to section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601(14), Section 311 of the Federal Water Pollution Control Act, 33 U.S.C. §1321, as now or hereafter amended; (b) a "hazardous waste" pursuant to Section 1004 or Section 3001 of the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6903, 6921, as now or hereafter amended; (c) a toxic pollutant under Section 307(a)(1) of the Federal Water Pollution Control Act, 33 U.S.C. § 1317(a)(1); (d) a "hazardous air pollutant" under Section 112 of the Clean Air Act, 42 U.S.C. § 7412, as now or hereafter amended; (e) a "hazardous material" under the Hazardous Materials Transportation Uniform Safety Act of 1990, 49 U.S.C. App. § 1802(4), as now or hereafter amended; (f) toxic or hazardous pursuant to regulations promulgated now or hereafter under the aforementioned laws; or (g) presenting a risk to human health or the environment under other applicable federal, state, or local laws, ordinances, or regulations, as

now or as may be passed or promulgated in the future. "Toxic or Hazardous Substances" shall also mean any substance that after release into the environment and upon exposure, ingestion, inhalation, or assimilation, either directly from the environment or directly by ingestion, through food chains, will or may reasonably be anticipated to cause death, disease, behavior, abnormalities, cancer, or genetic abnormalities. "Toxic or Hazardous Substances" specifically includes, but is not limited to, asbestos, lead polychlorinated biphenyls ("PCBs"), petroleum and petroleum-based derivatives, natural gas and natural gas based derivatives and urea formaldehyde. "Toxic or Hazardous Substances" shall also mean and include any element, substance, compound or material which is regulated by any federal, state or local law, rule, ordinance, directive or decision because of its ignitability, corrosiveness, toxicity, volatility, radioactivity or carcinogenic or other ill health effect.

1.16. Environmental Covenants, Representations and Warranties. Trustor covenants, represents and warrants to Trustee and Beneficiary that:

a. As of the date hereof, to Trustor's actual knowledge, any handling, transportation, storage, treatment or use of Toxic or Hazardous Substances that has occurred on the Premises to this date have been in compliance with all applicable federal, state, and local laws and regulations and ordinances except as reflected in any written environmental site assessment made available to Beneficiary prior to the date of this Deed of Trust.

b. Trustor shall not use or permit the use of the Premises either directly or through contractors, agents or tenants, for the generation, transportation, treatment, storage, manufacture, emission of or disposal of toxic or Hazardous Substances except for nominal amounts in the construction and normal operation of hotel properties and then only in compliance with all applicable federal, state and local laws.

c. As of the date hereof, Trustor has no knowledge of and has received no written notice of investigations or reports indicating that the Premises has been contaminated by Toxic or Hazardous Substances except as reflected in any written environmental site assessment made available to Beneficiary prior to the date of this Deed of Trust.

d. No asbestos or chlorofluorocarbons will be used in the construction or operation of Trustor's business or in any HVAC or refrigeration equipment or fixtures used on the Premises.

e. Trustor shall comply with all permits and approvals relating to Hazardous Substances.

f. If any investigation, site monitoring, containment, cleanup, removal, restoration, or other remedial work (the "**Remedial Work**") of any kind is necessary under any applicable local, state, or federal laws or regulations, or is required by any governmental entity or other third person because of or in connection with the presence or suspected presence of Toxic or Hazardous Substances on or under the Premises, Trustor shall assume responsibility for all such Remedial Work and all costs and expenses of such Remedial Work shall be paid by Trustor.

g. Trustor covenants and agrees to indemnify, defend (with counsel satisfactory to Beneficiary) and hold Trustee and Beneficiary and their officers, employees, contracts and agents harmless from and against any claims, judgments, damages, penalties, fines, expenses, liabilities, or losses arising out of or in any way relating to the presence, release or disposal of Toxic or Hazardous Substances on or from the Premises or to a breach of the environmental representations, warranties or covenants made by Trustor herein. Without limitation, the indemnification provided by this Section 1.16.g. shall specifically cover costs incurred in connection with any investigation of site conditions or any cleanup, mediation, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party because of the presence or suspected presence of Toxic or Hazardous Substances in the soil, groundwater or soil vapor, on or under the Premises.

The duration of the indemnification under this Section 1.16.g. shall be indefinite unless: (a) in the case of payment of all of the Note, Trustor delivers to Beneficiary, after payment of the principal, interest and all other amounts due under the Note, an environmental report from an environmental consultant acceptable to Beneficiary showing neither any violation of any federal, state, or local laws governing Toxic or Hazardous Substances (“**Toxic or Hazardous Substances Laws**”) nor the presence of any Toxic or Hazardous Substances on the Premises and in all other respects acceptable in form and substance to Beneficiary, or (b) in the case of a foreclosure, trustee’s sale, deed-in-lieu of foreclosure or payment of the Note in full, no notice of any violation of the Toxic or Hazardous Substance Laws or the presence of any Toxic or Hazardous Substances on the Premises has been received by Trustor from Beneficiary within five years after such foreclosure, trustee’s sale, acceptance of a deed-in-lieu of foreclosure or payment of all of the Note in full (the “**Cut-off Date**”); provided that, if prior to the Cut-off Date, Beneficiary has notified Trustor of any claim or demand which Beneficiary has determined is or could become the subject of indemnification of Beneficiary under this Deed of Trust, then, to the maximum extent permitted by law, the indemnification under this Deed of Trust shall survive the Cut-off Date as to such claim or demand of which Trustor has been so notified. Notwithstanding the above, this Deed of Trust shall not be construed to impose liability on Trustor for Toxic or Hazardous Substances placed, released or disposed of on the Premises through no fault of the Trustor or its respective agents, employees or contractors after the date of: (i) foreclosure, (ii) trustee’s sale, or (iii) the acceptance by Beneficiary of a deed-in-lieu of foreclosure from Trustor.

Trustor shall notify Trustee and Beneficiary in writing within three (3) business days of all spills or releases of any Toxic or Hazardous Substances, all failures to comply with any federal, state, or local law, and with any regulation or ordinance, all inspections of the Premises by any regulatory entity concerning the same, all written notices, orders, fines, or written communications of any kind from any governmental entity or third party that relate to the presence or suspected presence of any Toxic or Hazardous Substances on the Premises or the migration or suspected migration of any Toxic or Hazardous Substances from other property onto or beneath the Premises or to other property from the Premises, and all responses or interim cleanup action taken by or proposed to be taken by any government entity or private party on the Premises.

Trustee and Beneficiary, their officers, employees, contractors, or agents, shall have the right, but not the duty, upon at least one (1) business days prior notice, to inspect areas on Trustor's property not within Trustee and Beneficiary's control to determine whether Trustor or its tenants are complying with federal, state, and local laws, regulations, and ordinances pertaining to air and water quality, the handling, transportation, storage, treatment, usage, or disposal of Toxic or Hazardous Substances, air emissions, other environmental matters, and all zoning and other land use matters. Trustee and Beneficiary shall also have the right to establish test wells on or near the Premises to monitor whether any chemical levels are increasing on or near its Premises because of the activities of Trustor or its tenants or property owners. Trustee and Beneficiary shall use their best efforts to minimize interference with Trustor's business or that of its tenants but shall not be liable for any interference caused thereby.

1.17. Trustee's Right of Entry. The Trustor shall permit the Trustee or its authorized representatives to enter the Premises at all times upon at least one (1) business days prior notice for the purpose of inspecting the same; provided, however, the Trustee shall have no duty to make such inspections and shall not incur any liability or obligation for making or not making any such inspections.

1.18. Due on Sale. Beneficiary may, at Beneficiary's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Beneficiary's prior written consent, of all or any part of the Premises, or any interest in the Premises. A "sale or transfer" means the conveyance of Premises or any right, title or interest in the Premises; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Premises, or by any other method of conveyance of an interest in the Premises. However, this option shall not be exercised by Beneficiary if such exercise is prohibited by applicable law. The Beneficiary's consent to any one transaction shall not be deemed to be a waiver of the requirement to receive the Beneficiary's consent to future or successive transactions. If the Trustor is a corporation, partnership, limited liability company or other entity, the direct legal, beneficial or equitable ownership of such entity shall not be changed by sale, conveyance, transfer, assignment or encumbrance.

1.19. Beneficiary's Right to Cure. Subject to the Trustor's rights under section 1.9 hereof, if the Trustor shall fail to comply with any of the covenants or obligations of this Deed of Trust, then the Beneficiary may, but shall not be obligated to, upon 30 days' notice to the Trustor, and without waiving or releasing the Trustor from any obligation contained in this Deed of Trust, perform such covenants and agreements, investigate and defend against such action or proceeding, and take such other action as the Beneficiary deems necessary to protect its interest in the Premises or this Deed of Trust. The Trustor agrees to repay upon demand all sums reasonably incurred by the Beneficiary in remedying any such failure, together with interest at the rate as specified in the Note. All such sums, together with interest as aforesaid, shall become so much additional Secured Indebtedness, but no such advance shall be deemed to relieve the Trustor from any failure hereunder.

1.20. Uniform Commercial Code Security Interest. This Deed of Trust shall constitute a security agreement as defined in the Uniform Commercial Code and SHALL BE EFFECTIVE AS A FINANCING STATEMENT FILED AS A FIXTURE FILING which is to be filed in the real estate records of the County where the Premises are situated. The name of the record owner of said real estate is the Trustor set forth on page one of this Deed of Trust. Information concerning the security interest created by this Deed of Trust may be obtained from the Beneficiary as secured party, at its address as set forth on page one of this Deed of Trust. The name, charter registry number; and address of the Trustor, as debtor, and the name and address of the Beneficiary as secured party, are as set forth on page one of this Deed of Trust. This Deed of Trust covers goods which are, or are to become, fixtures. This Deed of Trust is sufficient as a financing statement, and as a financing statement it covers goods which are, or are to become, fixtures on the Land. In addition, the Trustor shall promptly execute and deliver to the Beneficiary, upon the Beneficiary's request, any financing statements or amendments thereto or continuation statements thereto that the Beneficiary may require to perfect a security interest in said items or types of property. The Trustor shall pay all costs of filing such instrument. Trustor authorizes the Beneficiary to file all of the Beneficiary's financing statements and amendments to financing statements, and all terminations of the filings of other secured parties, all with respect to the Premises, in such form and substance as the Beneficiary in its sole discretion, may determine. The Trustor shall not change its state of organization without the Beneficiary's prior written consent. The Trustor shall give the Beneficiary prior written notice of any change in Trustor's address, state of residence or name. The Trustor shall give the Beneficiary prior written notice if the Trustor uses any name other than the name set forth on page 1.

1.21 Fixture Filing. From the date of its recording, this Deed of Trust shall be effective as a financing statement filed as a fixture filing with respect to all goods constituting part of the Premises (as more particularly described in item (2) of the granting clause of this Deed of Trust) which are or are to become fixtures related to the real estate described herein. For this purpose, the following information is set forth:

(a) Name and Address of Debtor:

SLC TP TX, LLC
8762 Preston Trace Blvd.
Frisco, TX 75033

(b) Type of organization: limited liability company

(c) Jurisdiction of organization: Texas

(d) Name and Address of Secured Party:

Stearns Bank National Association
9225 E. Shea Boulevard
Scottsdale, AZ 85260

(e) This document covers goods which are or are to become fixtures.

(f) Trustor is the record owner of the Land.

1.22. Leases. The Trustor shall, at its own cost and expense, perform, comply with and discharge all of the obligations of the Trustor under all leases and agreements for the use of the Premises (“**Leases**”) and use its best efforts to enforce or secure the performance of each obligation and undertaking of the respective tenants under such leases and shall appear in and defend, at its own cost and expense, any action or proceeding arising out of or in any manner connected with the Trustor's interest in any leases of the Premises. Except in the normal course of business for residential landlords, the Trustor shall permit no surrender of any tenant's interest under said leases unless the right to surrender is expressly reserved under the lease, nor receive any installment of rent for more than one month (if payments are monthly) or one quarter (if payments are quarterly) in advance of its due date. Except in the normal course of business for residential apartment landlords, Trustor shall not modify or amend the terms of any Leases, nor exercise or waive any default of the tenant thereunder without the prior written consent of the Beneficiary. Trustor shall not execute any mortgage or create or permit a lien which may be or become superior to any such leases, nor permit a subordination of any lease to such mortgage or lien, nor borrow against or pledge the rentals from such leases. The Trustor shall obtain the Beneficiary's prior written approval before entering into any Lease or lease extension or renewal with a term of more than one (1) year (including any extension or renewal rights). Subject to the Trustor's rights set forth herein with respect to leases, should the Trustor fail to perform, comply with or discharge any obligations of the Trustor under any lease or should the Beneficiary become aware of or be notified of any tenant under any lease of a failure on the part of the Trustor to so perform, comply with or discharge its obligations under said lease, the Beneficiary may, but shall not be obligated to, and upon 15 days' notice to the Trustor, and without waiving or releasing the Trustor from any obligation in this Deed of Trust contained, remedy such failure, and the Trustor agrees to repay upon demand all sums incurred by the Beneficiary in remedying any such failure together with interest at the rate as specified in the Note. All such sums, together with interest as aforesaid, shall become so much additional Secured Indebtedness, but no such advance shall be deemed to relieve the Trustor from any default hereunder.

1.23. No Consent. Nothing contained in this Deed of Trust shall constitute any request by the Beneficiary, express or implied, for the performance of any labor or services or for the furnishing of any materials or other property in respect of the Premises or any part thereof, nor shall it be construed as giving the Trustor or any party in interest with the Trustor any right, power or authority to contract for or permit the performance of any labor services or the furnishing of any materials or other property in such fashion as would create any personal liability against the Beneficiary in respect thereof, or would permit the making of any claim that any lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the lien of this Deed of Trust.

1.24. Further Assurances. The Trustor shall execute and deliver to the Trustee or Beneficiary from time to time, on demand by Beneficiary, such further instruments, security agreements, financing statements under the Uniform Commercial Code and assurances and do such further acts as Beneficiary may require to carry out more effectively the purposes of this Deed of Trust and without limiting the foregoing, to make subject to the lien hereof any property agreed to be subjected hereto or covered by the granting clause hereof, or so intended to be. The Trustor shall pay any recording fees, filing fees, mortgage registry taxes, stamp taxes and other

charges arising out of or incident to the filing or recording of this Deed of Trust and all documents collateral thereto.

1.25. Miscellaneous Rights of Beneficiary. Without affecting the liability of any party liable for payment of the Secured Indebtedness or the performance of any obligation contained herein, and without affecting the rights of the Beneficiary with respect to any security not expressly released in writing, the Beneficiary may, at any time, and without notice to or the consent of the Trustor or any party with an interest in the Premises or the Note (a) release any person or entity liable for payment of all or any part of the Secured Indebtedness or for the performance of any obligation herein, (b) enter into any agreement with Trustor extending the time or otherwise altering the terms of payment of all or any part of the Secured Indebtedness or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof, (c) accept any additional security, (d) release or otherwise deal with any property, real or personal, including any or all of the Premises, including making partial releases of the Premises, or (e) resort to any security agreements, pledges, contracts of guaranty, assignments of rents and leases or other securities, and exhaust any one or more of said securities and the security hereunder, either concurrently or independently and in such order as it may determine. No act or thing, except full payment of the Secured Indebtedness, which but for this provision could act as a release, termination, satisfaction or impairment of this Deed of Trust shall in any way release, terminate, satisfy or impair this Deed of Trust.

ARTICLE II DEFAULTS AND REMEDIES

2.1. Events of Default. The occurrence of any of the following events shall constitute an Event of Default under this Deed of Trust:

- a. The occurrence of an Event of Default under any other Loan Document; or
- b. The Trustor shall fail to pay any amount required under this Deed of Trust after the applicable notice and cure provided or, if no applicable notice and cure period is provided after 10 days' notice from Beneficiary; or
- c. The Trustor shall fail duly to perform or observe any covenant or agreement in this Deed of Trust after the applicable notice and cure period and if no notice and cure period is provided after 15 days' notice from Beneficiary and such failure is not cured within fifteen (15) days after delivery of written notice by Beneficiary to Trustor describing the failure and the act required to cure the failure, provided, however, that if the failure is not reasonably capable of being cured within 15 days, no Event of Default shall occur for up to 30 days after the delivery of written notice by Beneficiary to Trustor, if Trustor commences to cure the failure within 15 days after notice and thereafter diligently prosecutes such cure to completion; or
- d. Trustor: (i) shall be dissolved or its existence shall be terminated, or (ii) shall commit any act of bankruptcy or make a general assignment for the benefit of creditors, or (iii) if any proceeding is instituted by Trustor for any relief under any bankruptcy or insolvency laws, or (iv) a receiver is appointed and remains in place for a period exceeding 60 days, or (v) a

proceeding is instituted against Trustor for any relief under any bankruptcy or insolvency laws and is not dismissed within 60 days, or (vi) a writ or order of attachment or garnishment is made or issued attaching Trustor's funds in excess of \$50,000.00, or (vii) if any proceeding or procedure is commenced or any remedy supplementary to or in enforcement of a judgment is employed against, or with respect to any property of Trustor, that is not dismissed within 60 days.

2.2. Remedies. Upon the occurrence of an Event of Default, or at any time thereafter until such Event of Default is cured to the satisfaction of the Trustee and Beneficiary, the Trustee and Beneficiary may, at Beneficiary's option, and without notice to the Trustor, exercise any or all of the following rights and remedies, and any other rights and remedies now or then available to it, either hereunder or at law or in equity, including, without limitation, the rights and remedies provided in the Assignment of Rents.

a. Beneficiary shall the right at its option without notice to Trustor to declare the entire Secured Indebtedness immediately due and payable, including any prepayment penalty which Trustor would be required to pay.

b. With respect to all or any part of the Premises, Beneficiary shall have the right in lieu of foreclosure by power of sale to foreclose by judicial foreclosure to the full extent provided by applicable law.

c. With respect to all or any part of the Premises that is personal property, Beneficiary shall have all the rights and remedies of a secured party under the Uniform Commercial Code, including without limitation the right to recover any deficiency in the manner and to the full extent provided by applicable law.

d. Beneficiary shall have the right, without notice to Trustor to take possession of and manage the Premises and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Beneficiary's costs, against the Secured Indebtedness. In furtherance of this right, Beneficiary may require any tenant or other user of the Premises to make payments of rent or use fees directly to Beneficiary. If the Rents are collected by Beneficiary, then Trustor irrevocably designates Beneficiary as Trustor's attorney-in-fact to endorse instruments received in payment thereof in the name of Trustor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Beneficiary in response to Beneficiary's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Beneficiary may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

e. Beneficiary shall have the right to have a receiver appointed to take possession of all or any part of the Premises, with the power to protect and preserve the Premises, to operate the Premises preceding foreclosure or sale, and to collect the Rents from the Premises and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Trustor hereby waives any requirement that the receiver be impartial and disinterested as to all of the parties and agrees that employment by Lender shall not disqualify a person from serving as a receiver.

f. If Trustor remains in possession of the Premises after the Premises is sold as provided above or Beneficiary otherwise becomes entitled to possession of the Premises upon default of Trustor, Trustor shall become a tenant at sufferance of Beneficiary or the purchaser of the Property and shall, at Beneficiary's option, either (1) pay a reasonable rental for the use of the Premises, or (2) vacate the Premises immediately upon the demand of Beneficiary.

g. Trustee or Beneficiary shall have any other right or remedy provided in this Deed of Trust or the Note or available at law or in equity.

h. Beneficiary shall give Trustor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

i. To the extent permitted by applicable law, Trustor hereby waives any and all rights to have the Premises marshalled. In exercising its rights and remedies, the Trustee or Beneficiary shall be free to sell all or any part of the Premises together or separately, in one sale or by separate sales. Beneficiary shall be entitled to bid at any public sale on all or any portion of the Premises.

j. If Beneficiary institutes any suit or action to enforce any of the terms of this Deed of Trust, Beneficiary shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Beneficiary incurs that in Beneficiary's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Beneficiary's attorneys' fees and Beneficiary's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. However, Trustor will only pay attorneys' fees of an attorney not Beneficiary's salaried employee, to whom the matter is referred after Trustor's default. Trustor also will pay any court costs, in addition to all other sums provided by law.

k. Trustee shall have all of the rights and duties of Beneficiary as set forth in this section.

Election by Beneficiary to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Trustor under this Deed of Trust, after Trustor's failure to perform, shall not affect Beneficiary's right to declare a default and exercise its remedies.

ARTICLE III
MISCELLANEOUS

3.1. Trustor's Acknowledgment of Remedies. THE TRUSTOR HEREBY CONSENTS AND AGREES TO THE FORECLOSURE AND SALE OF THE PREMISES BY ACTION OR, AT THE OPTION OF THE TRUSTEE OR BENEFICIARY, BY NONJUDICIAL SALE (PURSUANT TO POWER OF SALE) AND ACKNOWLEDGES THAT NO HEARING OF ANY TYPE MAY BE REQUIRED IN CONNECTION WITH THE SALE; AND EXPRESSLY WAIVES ANY AND ALL RIGHTS TO PRIOR NOTICE OF SALE OF THE PREMISES AND ANY AND ALL RIGHTS TO A PRIOR HEARING OF ANY TYPE IN CONNECTION WITH THE SALE OF THE PREMISES. The Trustor further understands that in the event of such default the Beneficiary may also elect its rights under the Uniform Commercial Code and take possession of the Personal Property (as defined in this Deed of Trust) and dispose of the same by sale or otherwise in one or more parcels provided that at least ten (10) days' prior notice of such disposition must be given, all as provided for by the Uniform Commercial Code, as hereafter amended or by any similar or replacement statute hereafter enacted.

3.2. Continued Priority. Any agreement hereafter made by the Trustor and the Beneficiary pursuant to this Deed of Trust shall be superior to the rights of the holder of any intervening lien or encumbrance.

3.3. Cumulative Rights. Each right, power or remedy herein conferred upon the Trustee or Beneficiary are cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, available to the Trustee and Beneficiary, at law or in equity, or under the Uniform Commercial Code or other law, or under any other agreement, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Beneficiary and shall not be a waiver of the right to exercise at any time thereafter any other right, power or remedy. No delay or omission by the Trustee or Beneficiary in the exercise of any right, power or remedy arising hereunder or arising otherwise shall impair any such right, power or remedy or the right of the Trustee or Beneficiary to resort thereto at a later date or be construed to be a waiver of any Event of Default under this Deed of Trust or the Note.

3.4. Waiver. The Trustor hereby waives to the full extent lawfully allowed the benefit of any homestead, appraisalment, evaluation, stay and extension laws now or hereafter in force. In addition, Trustor:

(i) TO THE FULLEST EXTENT PERMITTED BY LAW, TRUSTOR HEREBY VOLUNTARILY, KNOWINGLY AND INTENTIONALLY: (i) WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING ARISING UNDER THIS DEED OF TRUST OR CONCERNING THE SECURED INDEBTEDNESS, THE LOAN AGREEMENT, THE NOTE, ANY OTHER LOAN DOCUMENT AND/OR ANY COLLATERAL SECURING THE LOAN AGREEMENT, THE NOTE OR ANY OTHER LOAN DOCUMENT INCLUDING, WITHOUT LIMITATION, ANY DETERMINATION REGARDING THE AMOUNT, ENTITLEMENT TO AND REASONABLENESS OF ATTORNEY'S FEES OR

OTHER COSTS OF COLLECTION DUE TO LENDER, REGARDLESS OF WHETHER SUCH ACTION OR PROCEEDING CONCERNS ANY CONTRACTUAL OR TORTIOUS OR OTHER CLAIM, AND (ii) AGREES NOT TO SEEK TO CONSOLIDATE ANY SUCH ACTION OR PROCEEDING WITH ANY OTHER ACTION OR PROCEEDING IN WHICH A JURY TRIAL CANNOT BE WAIVED OR HAS NOT BEEN WAIVED. TRUSTOR ACKNOWLEDGES THAT THIS WAIVER OF JURY TRIAL AND AGREEMENT NOT TO CONSOLIDATE IS A MATERIAL INDUCEMENT TO THE BENEFICIARY IN EXTENDING CREDIT TO THE TRUSTOR, THAT BENEFICIARY WOULD NOT HAVE EXTENDED SUCH CREDIT WITHOUT THIS JURY TRIAL WAIVER AND AGREEMENT NOT TO CONSOLIDATE AND THAT TRUSTOR HAS BEEN REPRESENTED BY AN ATTORNEY OR HAS HAD AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY IN CONNECTION WITH THIS JURY TRIAL WAIVER AND AGREEMENT NOT TO CONSOLIDATE AND UNDERSTANDS THE LEGAL EFFECT OF THIS WAIVER.

3.5. Satisfaction of Deed of Trust/Partial Releases/Related Considerations. When all Secured Indebtedness has been paid, this Deed of Trust and all assignments herein contained shall be void and this Deed of Trust shall be satisfied and promptly released by the Trustee at the cost and expense of the Trustor. Additionally, upon the closing on the sale of a Unit and subject to the conditions set forth in the Loan Agreement, Trustee and Beneficiary shall cause a partial re-conveyance or partial release of the underlying Unit from the lien and encumbrance of this Deed of Trust and any other documents securing Beneficiary's interests with respect to the Loans to be recorded in the official real estate records of Los Angeles County, California.

3.6. Law and Venue. This Deed of Trust shall be subject to the provisions of Section 12.2 of the Loan Agreement which, among other things, shall govern choice of law, venue, jurisdiction, and enforcement.

3.7. Binding Effect. This Deed of Trust and each and every covenant, agreement and other provision hereof shall be binding upon the Trustor and its successors and assigns including without limitation each and every from time to time record owner of the Premises and any other person having an interest therein, shall run with the land and shall inure to the benefit of the Trustee and Beneficiary and their successors and assigns. As used herein the words "successors and assigns" shall also be deemed to include the heirs, representatives, administrators and executors of any natural person who is a party to this Deed of Trust.

3.8. Severability and Survival. The unenforceability or invalidity of any provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid. The foreclosure of this Deed of Trust will not affect or limit any remedy of the Trustee or Beneficiary on account of any breach by the Trustor of the terms of this Deed of Trust occurring prior to such foreclosure, except to the extent of the amount bid at foreclosure.

3.9. Captions. The captions and headings of the various sections of this Deed of Trust are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits the singular

shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

3.10. Notices. Any notice which any party hereto may desire or may be required to give to any other party shall be given pursuant to and in accordance with the notice provision set forth in Section 12.2 of the Loan Agreement. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Borrower's address, as shown near the beginning of this Deed of Trust. Notwithstanding any other provision of this Deed of Trust, all notices given under Utah Code Ann. Section 57-1-26 shall be given as required therein.

THE TRUSTOR REPRESENTS, CERTIFIES, WARRANTS AND AGREES THAT THE TRUSTOR HAS READ ALL OF THIS DEED OF TRUST AND UNDERSTANDS ALL THE PROVISIONS OF THIS DEED OF TRUST. THE TRUSTOR ALSO AGREES THAT THE TRUSTEE'S COMPLIANCE WITH THE EXPRESS PROVISIONS OF THIS DEED OF TRUST SHALL CONSTITUTE GOOD FAITH AND SHALL BE CONSIDERED REASONABLE FOR ALL PURPOSES.

3.11. Cross Default. Any Event of Default by Trustor pursuant to the Note, the Loan Agreement, if any, or in any other instrument given as security for the payment of the Note shall constitute an Event of Default by Trustor under this Deed of Trust.

3.12. Indemnification by Trustor. Trustor will protect, indemnify, and save harmless Trustee and Beneficiary from and against all liabilities, claims, damages, and expenses (including attorney's fees) imposed upon or incurred by or asserted against Trustee as Trustee of the Premises, except to the extent that those liabilities, claims, damages, and expenses arise out of Trustee's or Beneficiary's gross negligence or willful misconduct. Any amounts paid by Trustee or Beneficiary under this paragraph shall become part of the Indebtedness.

3.13. Maximum Interest. The provisions of this Deed of Trust and of all agreements between Trustor and Beneficiary, whether now existing or hereafter arising and whether written or oral, are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid to Beneficiary for the use, forbearance or retention of the money loaned under the Note exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, performance or fulfillment of any provision hereof or of any agreement between Trustor and Beneficiary shall at the time performance of fulfillment of such provision shall be due, exceed the limit for interest prescribed by law or otherwise transcend the limit of validity prescribed by applicable law, then, ipso facto, the obligation to be performed or fulfilled shall be reduced to such limit, and if, from any circumstance whatsoever, Beneficiary shall ever have received anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest shall be applied to the reduction of the principal balance owing under the applicable Note in the inverse order of its maturity (whether or not then due) or, at the option of Beneficiary, be paid over to Trustor, and not to the payment of interest. All interest paid or agreed to be paid to Beneficiary shall, to the extent permitted by applicable law, be amortized, prorated and spread throughout the full period

until payment in full of the principal balance of the applicable Note so that the Interest thereon for such full period will not exceed the maximum amount permitted by applicable law.

3.14 Waiver of Marshaling. Neither the Trustor nor any holder of any lien or security interest against the Premises, nor any other person or entity acquiring the Premises or any interest therein or any part thereof has or shall have any right to marshal assets or to require the Beneficiary or Trustee to do so in the event of the enforcement of any of the rights of the Beneficiary or Trustee under this Deed of Trust.

3.15 No Merger. This Deed of Trust secures one of two loans made by Lender to Borrower on the date of this Deed of Trust each of which is secured by a separate deed of trust and both of which affect the Premises. The Trustor and Beneficiary specifically intend that the deeds of trust will not merge and that the debts they secure will not be extinguished as a result of Beneficiary acquiring title to all or any of the Premises through foreclosure, deed in lieu of foreclosure, private or public sale, or otherwise.

3.16 Additional Waivers. Trustor waives to the full extent lawfully allowed the benefit of any homestead, appraisalment, evaluation, stay, one-action, and extension laws now or hereafter in force.

ARTICLE IV CONCERNING THE TRUSTEE

4.1 Powers and Obligations of Trustee. The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust:

4.1.1 Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Premises upon the written request of Beneficiary and Trustor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Beneficiary under this Deed of Trust.

4.1.2 Obligations to Notify. Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

4.1.3 Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Beneficiary shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

4.1.4 Successor Trustee. Beneficiary, at Beneficiary's option, may from time to time appoint a successor Trustee to any Trustee appointed under this Deed of Trust by an instrument

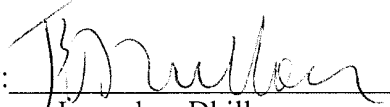
executed and acknowledged by Beneficiary and recorded in the office of the recorder of Los Angeles County, State of California. The instrument shall contain, in addition to all other matters required by state law, the names of the original Beneficiary, Trustee, and Trustor, the book and page where this Deed of Trust is recorded, and the name and address of the successor trustee, and the instrument shall be executed and acknowledged by Beneficiary or its successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for substitution.

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

[Signature Page to Follow.]

IN WITNESS WHEREOF, the undersigned has executed this Deed of Trust as of the day and year first above-written.

SLC TP TX, LLC, a Texas limited liability company

By: 
Name: Jagmohan Dhillon
Title: Managing Member

STATE OF Texas)
COUNTY OF Collin) §



On this 19th day of August, 2021, before me, the undersigned Notary Public, personally appeared Jagmohan Dhillon, Managing Member of SLC TP TX, LLC, a Texas limited liability company, and known to me to be a member or designated agent of the limited liability company that executed the Deed of Trust and acknowledged the Deed of Trust to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles or organization, or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Deed of Trust and in fact executed the Deed of Trust on behalf of the limited liability company.

By [Signature]
Notary Public in and for the State of Texas

Residing at 8762 Preston Trace Blvd.
Frisco, TX 75033
My Commission Expires: 12-17-2024

REQUEST FOR FULL RECONVEYANCE
(To be used only when obligations have been paid in full)

To: _____, Trustee

The undersigned is the legal owner and holder of all Indebtedness secured by this Deed of Trust. All sums secured by this Deed of Trust have been fully paid and satisfied. You are hereby directed, upon payment to you of any sums owing to you under the terms of this Deed of Trust or pursuant to any applicable statute, to cancel the Note secured by this Deed of Trust (which is delivered to you together with this Deed of Trust), and to reconvey, without warranty, to the parties designated by the terms of this Deed of Trust, the estate now held by you under this Deed of Trust. Please mail the reconveyance and Loan Documents to:

Date: _____

Beneficiary: _____

By: _____

Its: _____

This instrument was drafted by:

Fryberger, Buchanan, Smith & Frederick, P.A.
302 West Superior Street, Suite 700
Duluth, MN 55802
(218) 725-6838
DDM/12793-1024

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

Lot 12A2, BONNEVILLE CENTER PLAT E - 1ST AMENDED LOT 12A, according to the official plat thereof, recorded September 20, 2019 as Entry No. 13078765 in Book 2019P at Page 263.

PARCEL 1A:

A non-exclusive easement, appurtenant to Parcel 1, for the purposes of emergency, vehicular, and pedestrian ingress and egress, as set forth and defined in that certain Reciprocal Easement Agreement recorded February 5, 2020 as Entry No. 13187882 in Book 10893 at Page 3469 in the Salt Lake County Recorder's office.

EXHIBIT B
PERMITTED ENCUMBRANCES

Exhibit B

1. Right of Way Easement in favor of the American Telephone and Telegraph Company of Wyoming, to construct, operate, maintain and remove communication equipment and other facilities and incidental purposes, from time to time, upon, over, under and across a portion of the subject Land, recorded March 27, 1930, as Entry No. 651176, in Book 57 of Liens and Leases, at Page 479.
2. Easement in favor of the American Telephone and Telegraph Company of Wyoming, to construct, operate, maintain and remove communication equipment and other facilities and incidental purposes, from time to time, upon, over, under and across a portion of the subject Land, recorded September 9, 1942, as Entry No. 936708, in Book 321, at Page 618. (exact location not disclosed)
3. Right of Way Easement in favor of the American Telephone and Telegraph Company of Wyoming, to construct, operate, maintain and remove communication equipment and other facilities and incidental purposes, from time to time, upon, over, under and across a portion of the subject Land, recorded September 9, 1942, as Entry No. 936710, in Book 321, at Page 609. (exact location not disclosed)
4. Right of Way Easement in favor of the American Telephone and Telegraph Company of Wyoming, to construct, operate, maintain and remove communication equipment and other facilities and incidental purposes, from time to time, upon, over, under and across a portion of the subject Land, recorded September 9, 1942, as Entry No. 936714, in Book 321, at Page 615.
5. Easement in favor of Salt Lake City Corporation, a municipal corporation of the State of Utah, its licensees, successors, and assigns for the erection and continued operation, maintenance, repair, alteration, inspection, and replacement of a watermain extension, together with all service lines and meters, if any, and other equipment incidental thereto and incidental purposes, by instrument dated May 18, 1979 and recorded June 15, 1979, as Entry No. 3295452, in Book 4882, at Page 1529.
6. Declaration of Establishment of Easements, Covenants, Conditions and Restrictions of "Bonneville Center" recorded June 11, 1981 as Entry No. 3574000 in Book 5258 at Page 1172. Amended February 11, 1997 as Entry No. 6570367 in Book 7596 at Page 2627.

NOTE: No assessments are due and payable at Date of Policy.

Assignment of Declarant's Rights in favor of Suburban Land Reserve, Inc., a Utah corporation, dated December 6, 2007 and recorded December 10, 2007 as Entry No. 10295382 in Book 9546 at Page 1258.

7. Terms, conditions, and restrictions contained within that certain Quit Claim Deed recorded May 3, 1996 as Entry No. 6347414 in Book 7391 at Page 683.