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8/31/2015 4:43:00 PM \$32.00
Book - 10358 Pg - 1223-1234
Gary W. Ott
Recorder, Salt Lake County, UT
LIBERTY TITLE GA
BY: eCASH, DEPUTY - EF 12 P.

Recording Requested By:

When Recorded Mail To:

COstruction Team: Shan or Robin
9785 South Monroe Street, Suite 200
Sandy, UT 84070

Loan No. CON263

(This space for recorders use only)

LUT 1547974

Parcel # 28-22-430-002

**CONSTRUCTION DEED OF TRUST, SECURITY AGREEMENT
AND ASSIGNMENT OF RENTS**

THIS CONSTRUCTION DEED OF TRUST, SECURITY AGREEMENT AND ASSIGNMENT OF RENTS (this "Deed of Trust") is dated for reference purposes on August 27th, 2015, between Morgan Horne and Mary Ann Horne (collectively, "Borrower") whose address is

7015 White Aspen Cove

Salt Lake City, UT 84121

and Liberty Title West herein called TRUSTEE and Citywide Home Loans ("Lender") (collectively, "Lender") whose address is

Citywide Home Loans:
9875 South Monroe Street #200, Sandy, UT 84070

PURPOSE AND GRANTING CLAUSES

BORROWER, for the purpose of securing (a) the repayment of the indebtedness evidenced by Borrower's promissory note in the principal sum of \$600,300.00 (the "Note") and the Construction Loan Agreement and Loan Documents referred to therein between Lender and Borrower (the "Loan Agreement"), both of even date herewith, with payment of interest thereon, the payment of other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; (b) the performance of the covenants of Borrower contained herein and in the Note and Loan Agreement and Loan Documents referred to therein; (c) future advances, with interest thereon, made to Borrower by Lender pursuant hereto or the Loan Agreement ("Future Advances"); and (d) any extensions, modifications or renewals of the Note, this Deed of Trust or the Loan Agreement on the same or different terms (all of the foregoing is called the "Loan" in this Deed of Trust); in consideration of the indebtedness herein recited and the trust herein created,

BORROWER irrevocably grants, transfers, conveys and assigns to Trustee, its successors and assigns, in trust, with power of sale, and with the right of entry and possession, the following described real and personal property, now or hereafter acquired, together with all accessions, substitutions, proceeds and modifications thereof (collectively the "Property"):

- (a) That certain real property located in the State of Utah, in the City of Sandy, County of Salt Lake; APN: 28-22-430-002; at the physical address: 11561 S. Cassowary Drive, Sandy, UT 84092; and described as:

See Exhibit "A" attached hereto and made a part hereof the Legal Description.

(herein "Property Address"); together with all of the easements, rights, privileges, franchises, tenements, hereditaments and appurtenances now or hereafter belonging or in any way pertaining thereto (the "Real Property");

- (b) All structures, buildings and improvements of every kind or nature now or hereafter located upon the Real Property;



- (c) All machinery, equipment, apparatus, fittings now or hereafter located upon the Real Property;
- (d) All articles of personal property except furniture, clothing and personal effects now or hereafter
- (e) All building materials and supplies now or hereafter located upon the Real Property and all architectural renderings, drawings, specifications now or hereafter relating to the Real Property;
- (f) All contracts and agreements now or hereafter existing relating to the design, construction or improvement of the Real Property;
- (h) All deposits given to utilities and governmental authorities pertaining to the Property;
- (i) All present and future governmental, utility and homeowner association approvals, permits and entitlements pertaining to the Real Property;
- (j) All proceeds (including claims and demands therefor) of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, but not limited to, proceeds of insurance (whether required by Lender or optional) and condemnation awards; and,
- (k) All other or greater rights and interests of every nature in the Property and in the possession and use thereof and income therefrom, whether now owned or hereafter acquired by Borrower.

BORROWER AND LENDER COVENANT AND AGREE AS FOLLOWS:

1. Payment of Loan. Borrower shall promptly pay when due, the principal and interest of the indebtedness evidenced by the Note and Loan Agreement, prepayment and late charges as provided in the Note and the principal and interest on any Future Advances secured by the Deed of Trust.
2. Application of Payments. Unless otherwise provided by law, all payments received by Lender from Borrower under the Note, the Loan Agreement and this Deed of Trust shall be applied by Lender first in payment of interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances. Return to Lender of proceeds of the Loan which have not been disbursed and are held in trust for Lender shall, upon Borrower's default, be applied as provided in the Loan Agreement.
3. Prior Mortgages and Deeds of Trust. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid, at least 10 days before delinquency, all taxes, assessments and other charges, fines and impositions attributable to the Real Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any.
4. Insurance. Borrower shall keep the Property and any improvements now or hereafter constructed thereon insured against loss by having in force at all times and provide to Lender original policies or certificates of insurance as to Borrower and any general contractor Borrower has engaged of the following types:
 - (a) course of construction insurance against loss or damage to the Property from fire, vandalism, malicious mischief and other hazards as are included in so called "extended coverage" insurance policies insuring the Property for the full replacement cost of all improvements, personal property, equipment and materials on or about the Property;
 - (b) comprehensive general liability insurance in the amount specified in the Loan Agreement, including death or injury to persons;
 - (c) workers compensation insurance as required by applicable law.

All of the above insurance and any optional insurance, such as but not limited to earthquake coverage, shall name Lender as an additional insured and the insurer shall issue to Lender a Lender's Loss Payable

INITIALS: 

Endorsement (438BFU) and shall be additional security for this Deed of Trust. The insurers shall be subject to approval by Lender. Each of the above policies shall be prepaid a year in advance and shall not be cancelable except upon 30 days advance written notice to Lender.

5. Preservation and Maintenance of Property. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or planned unit development or otherwise subject to architectural control, Borrower shall perform all of Borrower's obligations under the declaration of covenants creating or governing the condominium or planned unit development or architectural control body, the bylaws and regulations of the condominium or planned unit development, and constituent documents.
6. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, the Note or Loan Agreement, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, proceedings by the Lender to obtain relief from stay in any bankruptcy proceeding which would prohibit Lender from enforcing its rights under the Deed of Trust, then Lender, at Lender's option, without notice to Borrower, may make such appearances, disburse such sums, including reasonable attorney's fees, and take such action as is necessary to protect Lender's interest. Any amount disbursed by Lender pursuant to this paragraph, with interest thereon at the Note rate (including any default rate in effect), including, but not limited to payment of delinquent taxes and assessments, insurance premiums due and delinquent amounts owed to prior lien holders, shall become additional indebtedness of Borrower secured by this Deed of Trust. Such amounts as are disbursed by Lender shall be payable, without notice, and shall bear interest from the date of disbursement at the rate payable on the Note (including any default rate in effect). Nothing contained in this paragraph shall require Lender to incur any expense or take any action hereunder.
7. Loan Restrictions. Until the Deed of Trust is reconveyed, Borrower shall not, without the prior written consent of Lender, which consent shall not be unreasonably withheld, do any of the following:
 - (a) Make or permit any contractor performing work on the Property to make any material change in the plans, specifications, identity of subcontractors, budget or construction schedule submitted to Lender to obtain the Loan (collectively, the "Construction Plans");
 - (b) Execute, authorize or allow any change orders, contracts for additional work or materials on the Real Property or change in the specifications of any appliances, equipment, materials or other aspect of the construction;
 - (c) Request or receive any rebates or commissions from anyone supplying goods or labor to the Real Property;
 - (d) Not begin construction, cease or curtail the construction called for in the Construction Plans for a period in excess of 5 working days in any 10 working day period;
 - (e) Fail to guard the security of the Real Property and the security and preservation of materials supplied to the Real Property by appropriate lighting, storage methods, covering and security personnel, as appropriate for sound construction practices;
 - (f) Make any false or misleading request for disbursement of the Loan funds or submission of any false or misleading document in connection therewith. Each request for the disbursal of Loan funds by Borrower or its contractors shall constitute Borrower's representation that sufficient funds remain undisbursed to complete the construction of the Real Property pursuant to the Construction Plans and to pay all costs of the Property pursuant to the Construction Plans;
 - (g) Fail to disclose to Lender any defects or deficiencies in the construction that Borrower has observed or others have reported;

INITIALS: 

- (h) Violate any law or ordinance or condition of the issuance of a zoning approval, building permit or homeowner association approval;
 - (i) Knowingly fail to cause or allow the contractor or any subcontractor to cause the Real Property to be constructed other than in accordance with the Construction Plans;
 - (j) Fail to deposit into the Construction Disbursement Account (as defined in the Loan Agreement), within 5 business days of a written demand by Lender, of sufficient additional funds Lender states in its subjective discretion will be necessary to complete the construction of the Real Property in accordance with the Construction Plans;
 - (k) Fail to keep adequate books, records and accounts of the costs of the construction, compliance with construction contracts and payments to and releases by contractors, subcontractors and material suppliers;
 - (l) Allow mechanics liens or stop notice claims to be filed against the Real Property or against undisbursed construction funds;
 - (m) Obstruct the observation and inspection of the Real Property by Lender's representatives or any disbursement control company engaged by Borrower or Lender;
 - (n) Use materials delivered for the Real Property for other than the Real Property;
 - (o) Fail to maintain the insurance required by this Deed of Trust at all times;
 - (p) Fail to provide the title insurer on the Real Property with such indemnities as Lender or the title insurer may request, including, without limitation, any indemnification that the title insurer may require to provide endorsements to the Loan title policy meeting the requirements of the Loan Agreement; and,
 - (q) Fail to promptly communicate to Lender any preliminary lien notices, mechanics lien notices or other notices or demands from governmental agencies, utilities, homeowners associations, contractors, subcontractors or suppliers.
8. Events of Default. The occurrence of any of the following events or conditions ("Event of Default") shall constitute a default under this Deed of Trust, giving Lender the remedies set forth in paragraphs 9 and 10:
- (a) Breach of any provision of this Deed of Trust, the Note or the Loan Agreement or other documents given pursuant thereto;
 - (b) Breach of any construction contract, supplier contract or agreement with an architect or engineer;
 - (c) Discovery by Lender that any material statement made by Borrower or its agents to obtain the Loan or to obtain a disbursement of Loan proceeds was intentionally or unintentionally false or misleading;
 - (d) Breach of any of the restrictive covenants set forth in paragraph 7;
 - (e) Filing by or against Borrower of a petition for relief of debtors under federal bankruptcy law or state law, which petition is not dismissed within 60 days; during the pendency of such action Lender may, at its option, withhold disbursement of Loan proceeds;
 - (f) Recordation of a mechanic's lien against the Real Property which is not released of record within 14 days of recordation;
 - (g) Service upon Lender of a stop notice claim relating to the Real Property which claim Borrower does not cause to be withdrawn completely within 14 days of service of such claim upon Lender (Lender may suspend disbursements pending withdrawal of such claim);

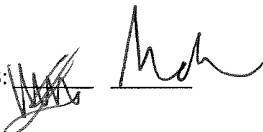
INITIALS:  _____

- (h) Default under, declaration of default, repossession, notice of sale or commencement of foreclosure proceedings by any lien on any collateral for the Loan, including but not limited to other deeds of trust or security interests given to secure the Note and/or obligations under the Loan Agreement;
- (i) The recordation of any lien junior to the Deed of Trust;
- (j) Failure to diligently commence and continue with construction as required by the Loan Agreement and Construction Plans and to obtain a certificate of occupancy on or before the maturity date of the Loan; and,
- (k) The taking of any adverse action against Borrower or the Property by any governmental authority, creditor, homeowner association, contractor or other person, which in the reasonable discretion of Lender, has a material adverse impact upon its risk.

9. Remedies.

- (a) General. Upon the occurrence of any Event of Default, the Loan, with all accrued but unpaid interest and other obligations, shall, at the option of Lender, become immediately due and payable in full without presentment, demand, protest or other notice of any kind, all of which are expressly waived by Borrower. Lender may remit back to Lender all undisbursed Loan proceeds held for disbursement, and which Lender may, in its sole subjective discretion, apply toward reduction of the amount owed under the Loan Documents, completion of construction of the Real Property, settlement with claimants or other purposes permitted by the Loan Agreement and this Deed of Trust or permitted by law, or any combination thereof.
- (b) Specific. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default, Lender shall have right with such force as is permitted by law and without notice, which Borrower hereby waives to the full extent such waiver is permitted by law, to take possession of the Property and to perform any and all work Lender deems it advisable or necessary to protect the Property and to complete construction of the improvements on the Real Property in such manner and on such terms, as Lender shall determine in its absolute and subjective discretion. All sums expended by Lender for such construction shall be added to the outstanding principal balance of the Note and shall bear interest from and after the date so advanced until paid at the interest rate provided for in the Note (including any default rate in effect). Borrower hereby irrevocably constitutes and appoints Lender and its duly authorized representatives its attorneys-in-fact with full power and authority, and with the power of substitution, upon the occurrence of an Event of Default to:
 - (i) Take possession of, protect and complete construction of the Real Property;
 - (ii) Make such additions, changes and corrections to the Construction Plans, permits and approvals as deemed necessary or desirable by Lender, in its sole subjective discretion, to complete the construction of the Real Property or any part thereof without loss to Lender or to effect a reduction of the cost of any items therein which Lender determines to be necessary in order to provide for a sale of all or a portion of the Real Property without loss to Lender;
 - (iii) Employ such contractors, subcontractors, agents, architects and other persons that Lender deems necessary or desirable, in its subjective judgment, to complete the construction of the Real Property;
 - (iv) Employ watchmen to protect the Real Property from injury;
 - (v) Pay, settle or compromise all existing invoices, charges or claims relating to the Property as Lender deems necessary, in its sole subjective discretion, for completion of the construction of the Real Property, the clearing of title to the Property and for protection of Lender's interest in the Property;
 - (vi) Prosecute and defend all actions and proceedings in connection with construction of the Real Property and apply the proceeds of any judgment in any such action against any of the obligations as Lender seems fit;

INITIALS:

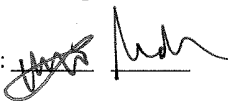


- (vii) Execute, acknowledge and deliver all instruments and documents in the name of Borrower and do and perform all acts in the name of Borrower that Lender deems necessary or appropriate, in its sole subjective discretion, to complete the construction of the Real Property; and
- (viii) Do any and every act with respect to the construction of the Real Property which Borrower may do and do it on Borrower's behalf

It is understood and agreed that this power of attorney shall be deemed to be a power coupled with an interest which cannot be revoked.

- (c) Judicial Foreclosure. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default, Lender shall have the right to commence an action to foreclose this Deed of Trust or to specifically enforce its provisions or any of the obligations secured by this Deed of Trust.
- (d) Non-Judicial Foreclosure. Without limiting the generality of the foregoing, upon the occurrence of an Event of Default, Lender shall have the right to deliver to the Trustee of this Deed of Trust a written declaration of default and demand for sale, and a written notice of default and of election to cause the Real Property to be sold, and cause any or all of the Real Property to be sold under the power of sale granted by this Deed of Trust in any manner permitted by applicable law.
- (e) Remedies Cumulative. Every remedy granted to Lender under this paragraph or in the Loan Agreement shall be cumulative and in addition to any other remedy herein or in the Loan Agreement specifically granted or now or hereafter existing in equity or at law. The exercise by Lender of one or more remedies shall not be construed to be a waiver or abandonment of any other right or remedy available to Lender. Lender may proceed with any or all remedies provided in this Deed of Trust, the Loan Agreement or available by law or equity. All expenses, included, but not limited to attorneys fees, fees of experts, costs of construction and other expenses shall be deemed added to the Note, shall bear interest at the same rate as the principal thereof (including any default rate in effect) and shall be secured by the same liens, including, but not limited to, this Deed of Trust.
- (f) Sale. If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an Event of Default and Lender's election to cause the Real Property to be sold and shall cause such notice to be recorded in each county in which the Real Property or some part thereof is located. Lender or Trustee shall mail copies of such notice in the manner prescribed by applicable law. After the lapse of such time as may be permitted by applicable law, Trustee, without demand on Borrower, shall sell the Real Property at public auction to the highest bidder at the time and place under the terms designated in the notice of sale in one or more parcels, and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Real Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase any of the Real Property in any sale. Trustee shall deliver to the purchaser Trustee's deed conveying the Real Property so sold without any warranty or covenant, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order:
 - (i) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorney's fees and costs of title evidence;
 - (ii) to all sums secured by this Deed of Trust; and,
 - (iii) the excess, if any, to the person or persons legally entitled thereto.
- (g) Receiver. In addition to all other remedies provided for in this Deed of Trust, Borrower agrees that upon the occurrence of an Event of Default under this Deed of Trust or under the Note or Loan Agreement, Beneficiary shall, as a matter of right, be entitled to the appointment of a receiver or receivers for all or any part of the Property, whether such receivership be incident to a proposed sale of the Property or otherwise, and without regard to the value of the Property or the solvency of Borrower or any person or persons liable for the

INITIALS:



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payment of the indebtedness secured hereby. Borrower does hereby consent to the appointment of such receiver or receivers, waives any and all notices of and defenses to such appointment, and agrees not to oppose any application therefore by Lender, but nothing herein is to be construed to deprive Lender of any right, remedy or privilege it may now have under the law to have a receiver appointed. Any money advanced by Lender in connection with any such receivership shall be added to the principal amount of the Note and shall bear interest from the date of such advancement at the applicable Note interest rate, including any default interest rate in effect.

- (h) Due on Sale Clause. If Borrower shall sell, enter into a contract of sale, lease for a term of more than six (6) years (including options to renew), lease with an option to purchase for any term, or transfer all or any part of the Property or an interest therein, excluding a transfer by devise, descent, or by operation of law upon the death of a joint tenant, the Lender may, at its option, declare the Note and any other obligation secured by this Deed of Trust, together with accrued interest thereon, immediately due and payable in full. A transfer of less than 50% interest in the Property, with prior notice to Lender, shall not constitute a transfer of the Property within the meaning of this paragraph. If such acceleration is during any period when a prepayment fee is payable pursuant to the provisions in the Note, then, in addition to all of the foregoing, such prepayment fee shall also then be immediately due and payable to Lender as though Borrower were prepaying the entire indebtedness secured hereby on the date of such acceleration.
- (i) Future Advances. Upon the request of Borrower, Lender, at Lender's option prior to full reconveyance of the Property by Trustee to Borrower, may make Future Advances to Borrower. Such advances with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby.
10. Indemnification. Borrower hereby agrees to indemnify (as the same are incurred or accrued) and hold Lender and its officers, agents, representatives harmless from and against any cost, expense (including, without limitation attorneys fees, consulting fees and court costs), demand, claim or lawsuit arising out of or related to the Property or the Loan, including, but not limited to any claims made by contractors, suppliers, mechanics lien claimants, homeowner associations, governmental authorities, stop notice claimants, title companies or persons purporting to be injured on or by the Property or by the acts or conduct of Borrower, its contractors, subcontractors, suppliers or other persons dealing with Borrower. If Borrower fails to provide such indemnity as the same accrues and as expenses are incurred, the amount not paid shall be added to the principal amount of the Note and bear interest thereon at the same rate then in effect (including any default rate in effect) and shall be secured by the same collateral as securing the Note and Loan Agreement.
11. No Representations by Lender. Borrower acknowledges its understanding of the following: Lender is under no obligation to construct or supervise construction of the Real Property; any inspection of the Real Property is solely for the purpose of protecting the security of Lender. Nothing in this Agreement or approvals of disbursements or any other conduct is to be construed as a representation or warranty by Lender that the Real Property meets the Construction Plans, is constructed in a good and workmanlike manner, is free from defects, or is safe.
12. Reconveyance. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Real Property and shall surrender this Deed of Trust and all notes evidencing the indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Real Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.
13. Substitution of Trustee. Lender (or if there is more than one Lender, a majority in interest), at Lender's option, may from time to time remove Trustee and appoint a successor trustee to any trustee appointed hereunder. Without conveyance of the Real Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.
14. Request for Notices. Borrower requests that copies of the Notice of Sale be sent to the Property Address.
15. Statement of Obligation. Lender may collect a fee, not to exceed the maximum amount permitted by law, for furnishing a statement of obligations as provided by Section 2943 of the Utah Civil Code.

INITIALS: 

16. Acceptance by Lender of Partial Payment After Notice of Default. By accepting partial payment (payments which do not satisfy a default or delinquency in full), of any sums secured by this Deed of Trust after a notice of default has been recorded, or by accepting late performance of any obligation secured by this Deed of Trust, or by adding any payments so made to the loans secured by this Deed of Trust, whether or not such payments are made pursuant to a court order, Lender does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure to make any such payment promptly or to perform any such act. No exercise of any right or remedy of the Lender or Trustee under this Deed of Trust shall constitute a waiver of any other right or remedy contained in this Deed of Trust or provided by law.
17. Unsecured Portion of Indebtedness. If any part of the secured indebtedness cannot be lawfully secured by this Deed of Trust, or if any part of the Property cannot be lawfully subject to the lien and security interest hereof to the full extent of such indebtedness, then all payments made shall be applied on said indebtedness first in discharge of that portion thereof which is unsecured by this Deed of Trust.
18. Cross Default. A default hereunder which has not been cured within the applicable grace period, shall be a default under the Loan Agreement, the Note, and any other Deed of Trust given to secure the Note or the obligations under this Deed of Trust or the Loan Agreement.
19. Loan Agreement. This Deed of Trust secures advances of funds to be used primarily in construction of improvements on the Real Property in accordance with the Loan Agreement. The terms and provisions of the Loan Agreement are incorporated herein by this reference.
20. Fixture Filing; Personal Property Security Agreement. This Deed of Trust constitutes a "security agreement" as that term is defined in the Utah Commercial Code ("UCC") as to all of the personal property and fixtures (collectively, the "Equipment") now or hereafter owned by Borrower and identified above as part of the Property. All Equipment, whether affixed or not, shall for purposes of this Deed of Trust, to the extent permitted by law, be considered as annexed to and forming a part of the Property and improvements in any award in eminent domain proceeding for a taking or loss of value as to the Property and improvements and in all future leases and rents. This Deed of Trust creates a security interest in the Lender, and the Borrower hereby grants Lender a security interest in all of the Equipment. A financing statement or statements shall be executed by Borrower and filed in a manner required to perfect a security interest under the UCC. Compliance with the requirements of the UCC relating to personal property shall not be construed as altering in any way the rights of Lender as determined by this Deed of Trust under any other statutes or laws of the State of Utah, but is declared to be solely for the protection of the Lender if such compliance is at any time held to be necessary to preserve the priority of the security interest of the Lender in the Equipment against any other claims. This Deed of Trust shall also be effective from the date of its recording as a financing statement filed as a fixture filing with respect to all Equipment which are or will become fixtures.
21. Miscellaneous. TIME IS OF THE ESSENCE OF EVERY PROVISION OF THIS DEED OF TRUST WHERE TIME IS A FACTOR. This Deed of Trust, the Loan Agreement, the Note, and any document or instruments given pursuant thereto, constitute the complete agreement between the parties. Such agreements may be amended or rights waived only by a written document signed by the party to be charged. This Deed of Trust, though drafted by one party, shall be construed as if prepared by both parties. The initial Lender named in this Deed of Trust may assign all or any part of its interest to another party or parties; upon such assignment, the assignor shall be relieved of further responsibility to Borrower and the assignee shall be deemed to have assumed and to hold the assignor harmless from any liability or responsibility to Borrower. In any proceeding involving the enforcement or interpretation of this Deed of Trust, including any claim that consent to the same was fraudulently induced, and any proceeding for relief from stay or other proceedings under any chapter of the Bankruptcy Act, the prevailing party shall be entitled to an award of its attorneys' fees, court costs, and consulting and expert fees from the losing party or parties. Captions of this Deed of Trust are for convenience of reference only and shall not be used to interpret this Deed of Trust. Words in any gender shall be deemed to include the other genders and the singular shall be deemed to include the plural, and vice versa. If any provision of this Deed of Trust is held to be invalid, illegal or unenforceable in any jurisdiction, the remaining provisions shall not be impaired thereby. Any advance of undisbursed Loan proceeds shall not be deemed a waiver of any known or unknown breach of this Deed of Trust, the Note or the Loan Agreement.

INITIALS: 

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust to be effective the date first written above.

[Signature] 9-30-15 [Signature] 9-30-15
Morgan Horne Date Mary Ann Horne Date

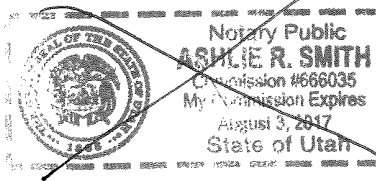
State of Utah)
County of Salt Lake)

On 9-30-15 before me, Ashlie R. Smith, personally appeared, Morgan Horne & Mary Ann Horne, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Utah that the foregoing paragraph is true and correct.

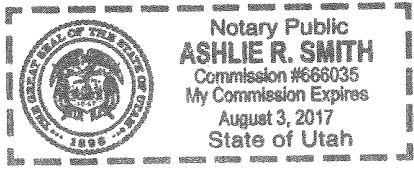
WITNESS my hand and official seal.

Signature: [Signature] (Seal)



LENDER(S) ACCEPT THE ABOVE ASSIGNMENT:

Lender Date



REQUEST FOR RECONVEYANCE

TO TRUSTEE:

The undersigned is the note holder of the note(s) secured by this Deed of Trust, which note(s) have been paid in full. Please cancel this Deed of Trust, and the notes(s) secured by this Deed of Trust, and reconvey, without warranty, to the person or person entitled thereto, all the estate now held by you pursuant to this Deed of Trust.

Dated: _____

INITIALS: [Signature]

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made August 27th, 2015, and is incorporated into and shall be deemed to amend and supplement the Deed of Trust of the same date given by the undersigned.

1 Year Adjustable Rate Loan

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN INTEREST RATE AND MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

In addition to the covenants and agreements made in the Deed of Trust, the undersigned further covenants and agrees to the following:

1. The Note provides for an initial interest rate of 5.500%. The Note provides for changes in the interest rate and the monthly payments as follows:

A. Change Date

The interest rate under this Note may change on 10/01/2016 and on that same date every month thereafter. Each date on which the interest rate could change is called the "change date."

B. The Index

Beginning with the first "change date," the interest rate will be based on an "index." The "index" is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent "index" figure available as of the date 60 days before each "change date" is called the "current index." If the "index" is no longer available, the Note Holder will choose a new "index" which is based upon comparable information. The Note Holder will give notice of this choice.

C. Calculation of Changes

Before each "change date," the Note Holder will calculate a new interest rate by adding 2.250% (percent) to the "Prime rate." The Note Holder will then round the result of this addition to the nearest one eighth of one percentage point (.125%). This rounded amount will be the interest rate until the next "change date." The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that is expected to be owed on the "change date" in full on the maturity date at the new interest rate in substantially equal payments. The result of calculation will be the new amount of the monthly payment.

D. Limits on Interest Rate Changes

The interest rate will never increase or decrease on any single "change date" by more than One percentage points (1.000%) from the rate of interest under this Note in the preceding 12 months. The interest rate will never be greater than 18.000% (percent).

E. Effective Date of Changes

The new interest rate will become effective on each "change date." The new monthly payment begins on the first monthly payment date after the "change date" until the amount of the monthly payment changes again.

F. Notice of Changes

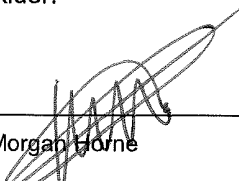
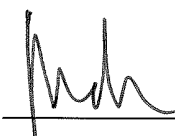
The Note Holder will deliver or mail a notice of any changes in the interest rate and the amount of the monthly payment

INITIALS: 

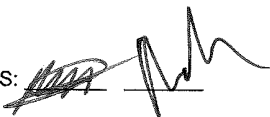
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before the effective date of any change.

By signing below, the undersigned accepts and agrees to the terms and covenants contained in this "Adjustable Rate Rider."

 _____
Morgan Horne
8-30-15 _____
Date Date
 _____
Mary Ann Horne
08-30-15 _____
Date Date

INITIALS:



TITLE SEARCH REPORT
EXHIBIT "A"
LEGAL DESCRIPTION

LOT 13, ROCKHAMPTON ESTATES SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS RECORDED IN THE OFFICE OF THE SALT LAKE COUNTY RECORDER, STATE OF UTAH.

The following is shown for information purposes only: Tax ID / Parcel No. 28-22-430-002