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# SUBORDINATED DEED OF TRUST AND ASSIGNMENT OF LEASES

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#### **ACCOMMODATION RECORDING ONLY**

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## **SUBORDINATED DEED OF TRUST AND ASSIGNMENT OF LEASES**

THIS SUBORDINATED DEED OF TRUST is made this 31<sup>st</sup> Day of July, 2019, by and among BUSY LANE DEVELOPMENT, LLC, a New Jersey limited liability company, whose address is at care of the Royale Group, 12 Route 17 North, Paramus, New Jersey, 07652 (“Grantor”), GREGORY K. MUELLER, ESQ., an individual, whose address is Mueller Law Group, 19 Engle Street, Tenafly, New Jersey 07670 (“Trustee”), and LINDSAY LOGUE (“Lindsay”), having a principal place of business at care of the Royale Group, 12 Route 17 North, Paramus, New Jersey, 07652 (“Beneficiary”; such term includes all successors and assigns, immediate or remote, and all subsequent holders, if any, of the Promissory Note of even date which this Deed of Trust secures.)

1. Granting of Property. Grantor, for and in consideration of the debt and trust hereinafter described and created, and of Ten Dollars and No Cents (\$10.00) paid to Grantor by Trustee, the receipt of which is hereby acknowledged, hereby GRANTS, BARGAINS, REMISES, RELEASES, SELLS, CONVEYS and CONFIRMS to Trustee, its successors and assigns forever, all of Grantor’s estate, right, title and interest in, to and under, and grants to Trustee a security interest in, any and all of the following described property which is (except where the context otherwise requires) herein collectively called the “Property”, whether now owned or held or hereafter acquired, such term also referring to any part or parcel hereof:

(a) all of the real estate and property located at 175 East 200 South, Salt Lake City, Utah, 84138 and legally described in Exhibit “A” attached hereto and by this reference made a part hereof (hereinafter called the “Real Estate”); and

(b) all right, title and interest of Grantor, including any after-acquired title or reversion, in and to the beds of the ways, streets, avenues and alleys adjoining the Real Estate and in and to any strips, gaps or gores adjoining the Real Estate on all sides thereof; and

(c) all of the tenements, hereditaments, easements, appurtenances, passages, waters, water rights, water courses, riparian rights and other rights, liberties and privileges thereof now or hereafter appertaining to the Real Estate, including any homestead or other claim at law or in equity, any after-acquired title, franchises, licenses, and any reversions and remainders thereof; and

(d) all of the oil, gas, coal and other minerals in or under the Real Estate; and

(e) Grantor’s interest in all buildings and improvements of every kind and description now or hereafter erected or placed on the Real Estate (the “Improvements”); all materials intended for construction, reconstruction, alterations and repairs of the Improvements (whether stored or located on site or stored off site), all of which materials shall be deemed to be included within the Property hereby conveyed immediately upon the delivery thereof to the Real Estate; all fixtures and articles of personal property now or hereafter owned by Grantor and attached to or used in connection with Real Estate and Improvements (and the lessee’s interest in any personal property leased by Grantor from third parties), including but not limited to all furniture and furnishings, apparatus, machinery, motors, elevators, fittings, radiators, gas ranges, mechanical refrigerators, awnings, shades, screens, office equipment, blinds, carpeting and other furnishings, and all plumbing, heating, lighting, cooking, laundry,

ventilating, refrigerating, incinerating, air conditioning, central energy and sprinkler equipment and fixtures and appurtenances thereto; and all renewals or replacements of any of the foregoing, whether or not the same are or shall be attached to the Improvements; except that the foregoing shall not include any trade fixtures, personal property or moveable equipment owned by tenants occupying any part of the Property. All of such personal property to be deemed to be real property and be a part of the realty. This Deed of Trust is hereby deemed to be as well a security agreement as well as a deed of trust for the purpose of creating hereby a security interest in the personal property securing the Indebtedness (hereafter defined in Section 3) for the benefit of the Beneficiary; and

(f) all of the rents, issues, proceeds and profits accruing or to accrue from the Real Estate or arising from the use or enjoyment of all or any portion thereof or from any lease or agreement pertaining thereto; and all right, title and interest of Grantor in and to all leases of the Real Estate now or hereafter existing; including without limitation all deposits made thereunder to secure performance by the tenants of their obligations thereunder; and

(g) all goodwill, trademarks, trade names, option rights, purchase contracts, books and records and general intangibles of Grantor relating to the Real Estate or the Improvements including, without limitation, all rights of Grantor under or with respect to all accounts, contract rights, instruments, chattel paper and other rights of Grantor for payment of money for property sold, rented or lent, for services rendered, for money lent, or advances or deposits made, and any other intangible property of Grantor related to the Real Estate or the Improvements; and

(h) all rights, including all copyrights, of Grantor to plans and specifications, designs, drawings and other matters prepared for any construction on or renovation or alteration of the Real Estate and Improvements; and

(i) all rights of Grantor under any contracts executed by Grantor as owner with any provider of goods or services for or in connection with any construction undertaken on or services performed or to be performed in connection with the Property; and

(j) all proceeds (including claims or demands thereto) of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including without limitation all proceeds of insurance (including unearned premiums) and condemnation awards including interest thereon.

2. Conveyance to Trustee. This conveyance is to the Trustee, for the Trustee to hold the Property in this trust pursuant to the terms of this Deed of Trust.

3. Security for Prepurchase Agreement; Indebtedness. This Deed of Trust secures the payment of (a) up to \$60,000.00 (sixty thousand dollars) under the Line of Credit Promissory Note ("Line of Credit Promissory Note") between Grantor (and Grantor's principals) and Beneficiary, dated this same date, which is incorporated herein by this reference, calling for periodic payments of the Line of Credit Promissory Note; (b) all indebtedness and obligations arising under the provisions of this Deed of Trust; (c) all indebtedness and obligations arising pursuant to the Security Agreement, the UCC Financing Statements, and any and all other agreements or assignments securing the Line of Credit Promissory Note (hereinafter collectively the "Security Documents"); (d) all indebtedness and obligations arising

pursuant to any instrument evidencing the advance of additional sums at Beneficiary's sole option, by Beneficiary to Grantor; (e) any and all renewals or extensions of any such item of indebtedness or obligation or any part thereof; (f) any future advances which may be made by Beneficiary to Grantor, whether made to protect the security or otherwise, and whether or not evidenced by additional evidences of indebtedness (but nothing in this Deed of Trust shall be interpreted to require Beneficiary to make any future advances); and (g) all interest due on all of the same (all of the above are hereinafter collectively the "Indebtedness", which term shall also include any part or portion thereof). Nothing in this Deed of Trust shall be construed to obligate Beneficiary to make any renewals or additional advances.

4. Warranty of Title. Grantor warrants to Beneficiary good title to the Property and warrants and agrees that the same is free from all encumbrances and liens created by Grantor whatsoever, except for the Deed of Trust on the Property in the approximate amount of \$1.1 million held by Cyprus Federal Credit Union; that Grantor has good and legal right, power and authority to so convey the Property to Trustee; that Grantor and its successors in interest will forever warrant and defend the title of the Property as represented above and the estate and second priority of this Deed of Trust against the lawful claims and demands of all persons whomsoever claiming through Grantor; and that Grantor will execute, acknowledge and deliver all and every such further assurances to the Trustee and Beneficiary of the title to all the Property. All of these covenants shall run with the land.

5. Payment of the Indebtedness. Grantor agrees to pay promptly the periodic payments and other Indebtedness at the times and in the manner provided in the Line of Credit Promissory Note and Security Documents.

6. Maintenance and Repairs; Compliance with Laws.

6.1 Grantor shall (a) not permit, commit or suffer to exist any waste, impairment or deterioration of the Property (except normal wear and tear); (b) keep and maintain the Property and every part thereof and the fixtures, machinery and appurtenances in working condition; (c) effect such repairs and make all needed and proper replacements so that the Improvements, fixtures, equipment, goods, machinery and appurtenances will at all times be in working condition, fit and proper for the respective purposes for which they were originally erected or installed; (d) make such repairs as Beneficiary may reasonably require so that the Property is in working condition; (e) fully comply with all statutes, laws, ordinances, regulations, requirements, orders or decrees relating to Property enacted or imposed by any federal, state or municipal authority, including federal and state environmental laws; (f) observe and fully comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including but not limited to mine reclamation permit), privileges, franchises and concessions which are applicable to the Property or which have been granted to or contracted for by Grantor in connection with any existing or presently contemplated use of the Property; and (g) permit Beneficiary or its agents, at all reasonable times, to enter upon and inspect the Property, subject to the rights of tenants.

6.2 Beneficiary shall have the right, at any time and from time to time, to engage an independent party to determine whether the Property is being maintained so that it is in working condition. If the maintenance is determined to be inadequate, such party shall determine the estimated

cost of such repairs and replacements as are necessary to place the Property in working condition, and Grantor shall promptly perform the repairs and replacements. Grantor acknowledges that upon such a determination the security of this Deed of Trust will be impaired to the extent of the estimated cost of such repairs and replacements. In such event, Grantor shall also reimburse Beneficiary for the reasonable costs of such inspection, and the same shall be a part of the Indebtedness secured hereby. If the independent party determines the Property is in working condition, then the inspection shall be at Beneficiary's expense.

7. Taxes.

7.1 Grantor agrees to:

(a) pay, before delinquency and before any penalty for nonpayment attaches thereto, all taxes, assessments, water rates, sewer rentals and other governmental, municipal or public dues, charges, fines or impositions which are or may be levied against the Property or any part thereof; to deliver to Beneficiary, at least ten (10) days before delinquency, receipted bills evidencing payment therefor; or to pay, in full, under protest and in the manner provided by statute, any tax, assessment, rate, rental, charge, fine or imposition which Grantor may desire to contest; and

(b) if the state of Utah enacts any law imposing in any manner a tax upon this Deed of Trust, Grantor shall immediately pay the Indebtedness in full, except that this provision will not apply in the event Grantor lawfully pays in full any such tax or assessment; and

(c) keep the Property free from statutory liens of every kind.

8. Casualty Insurance.

8.1 Grantor agrees to keep the Improvements insured against loss or damage by, or abatement of rental income resulting from, fire and such other hazards, casualties and contingencies (including, but not limited to, vandalism, malicious mischief and so-called "all risk" coverage) in such amounts as may reasonably be required by Beneficiary. Grantor will pay promptly when due any premiums on such insurance. All such insurance shall be carried with companies approved by Grantor and lawfully operating in the State of Utah. The policies and renewals thereof or certificates respecting such policies and renewals shall be deposited with and held by Beneficiary, shall evidence full payment of the premiums therefor, and shall have attached thereto (a) a standard noncontributory mortgagee clause (providing in substance that Beneficiary is an insured under a separate insurance contract and that defenses of the insurer against Grantor are inapplicable to Beneficiary); (b) an agreed amount endorsement; (c) a replacement cost endorsement; (d) an inflation guard endorsement; and (e) a standard waiver of subrogation endorsement, if available, all in form acceptable to Beneficiary. Grantor shall not carry separate insurance, concurrent in kind or form and contributing in the event of loss with any insurance required hereunder, unless Beneficiary is included as a mortgagee thereunder pursuant to the type of clause described in clause (a) above. All policies shall provide for at least thirty (30) days' advance written notice to Beneficiary prior to any cancellation or material modification thereof.

8.2 In the event of a change in ownership of or occupancy of the Property (except for ordinary changes in tenant occupancy), Grantor shall immediately deliver notice by mail to all insurers.

8.3 In the event of a loss to the Property exceeding \$50,000.00 (fifty thousand dollars) in damage amount, Grantor will give immediate notice to Beneficiary, whereupon Beneficiary may at its option assume the right to settle and adjust any such claim under such policies without consent of Grantor (although Beneficiary will endeavor to contact Grantor and obtain Grantor's consent to any such settlement or adjustment). Beneficiary shall notify Grantor of whether it elects to take action within twenty (20) days after Beneficiary receives Grantor's notice. If Beneficiary sends Grantor no such notification, then Grantor shall be allowed to adjust the loss itself, with Beneficiary reserving the later right to take over the process if it so elects. After deducting all costs of collection, the proceeds of any insurance shall be applied, at the option of Beneficiary, as follows: (a) as a credit upon any portion of the Indebtedness, as selected by Beneficiary; or (b) to restoring the Improvements, at the direction of Grantor. If Grantor is not then in default under the Line of Credit Promissory Note or any of the Security Documents, Beneficiary shall allow the proceeds to be applied as specified in alternative (b) of the above sentence, with any excess proceeds remaining after restoration of the Improvements to be applied as specified in alternative (a).

8.4 In the event of a foreclosure of this Deed of Trust or other transfer of title to the Property extinguishing the Indebtedness or the lien of this Deed of Trust, all right, title and interest of Grantor in and to any insurance policies then in force shall pass to and are hereby assigned by Grantor to the purchaser or grantee.

9. Public Liability Insurance. Grantor agrees to carry and maintain liability and indemnity insurance, in forms, in such amounts and with such insurers as may be reasonably required from time to time by Beneficiary. Certificates of such insurance, evidencing full payment of the premiums, shall be deposited with Beneficiary and shall contain provisions for thirty (30) days' written notice to Beneficiary prior to any cancellation or modification of the policies.

10. Alterations, Removal and Demolition.

10.1 No Improvements shall be altered, removed or demolished and no fixtures, equipment or appliances on, in or about the Improvements shall be severed, removed, sold or mortgaged, without the prior written consent of Beneficiary, which shall not be unreasonably withheld. In the event all or any part of the fixtures, appliances equipment or other goods are demolished or destroyed, Grantor shall promptly replace the same with similar fixtures and appliances at least equal in quality and condition to those replaced, free from any security interest in or any encumbrance thereon or reservation of title thereto (however, if any such items were originally leased or encumbered, the replacements may be so leased or encumbered).

11. Mechanic's Liens.

11.1 Grantor will keep the Property free from any mechanic's liens, other statutory liens or claims, and any other claims of all persons supplying labor or materials which enter into the construction, alteration, repair or replacement of any and all Improvements.

11.2 Notwithstanding the above provisions, Grantor shall have the right to contest any such lien or claim of any person supplying such labor or materials. However, within thirty (30) days after the

filing of any mechanic's lien or other statutory claim which Grantor may desire to contest, Grantor shall furnish Beneficiary with cash, a bond (in statutory form or such other form as Beneficiary may find reasonably satisfactory), an irrevocable unconditional letter of credit in favor of Beneficiary, or other security as Beneficiary may find reasonably satisfactory, in an amount equal to one and one-half times the amount of such lien. Beneficiary may also require an endorsement to its mortgagee policy of title insurance insuring over such lien. Any such contest shall not otherwise create or result in a failure on the part of Grantor to comply with the terms, provisions and conditions hereof.

11.3 Grantor shall in any event, including under the circumstances described in the above subsection, pay in full any such mechanic's lien or other statutory lien or claim prior to any foreclosure of the same or other event which would jeopardize Grantor's title to the Property or the lien of this Deed of Trust.

12. Indemnification of Beneficiary and Trustee Against Costs. Grantor agrees to save Beneficiary and the Trustee harmless from all fees, costs and expenses, including without limitation, reasonable attorneys' fees and expenses, incurred by reason of any action, suit, proceeding, hearing, motion or application before any court or administrative body (including an action to foreclose or to collect the Indebtedness) in and to which Beneficiary or Trustee may be or become a party by reason of this Deed of Trust, including but not limited to condemnation, bankruptcy, probate and administration proceedings, as well as any other of the foregoing in which a proof of claim is by law required to be filed or in which it becomes necessary to defend or uphold the terms of this Deed of Trust. All funds paid or expended by Beneficiary or Trustee in that regard shall be a part of the Indebtedness and shall upon notice to Grantor be immediately due and payable by Grantor to the Beneficiary or Trustee, as the case may be.

13. Eminent Domain.

13.1 All compensation, proceeds and awards paid to or received by Grantor in any taking by eminent domain or conveyance in lieu thereof that may affect all or any part of or interest in the Property (whether permanently or temporarily), including severance and consequential damages and damages from a change in the grade of any street, are hereby assigned to Beneficiary subject to the terms hereof. Grantor hereby appoints Beneficiary as its attorney-in-fact, coupled with an interest, to collect and receive the proceeds thereof and to give proper receipts therefor. Grantor authorizes and empowers Beneficiary, as such attorney-in-fact, at Beneficiary's option, on behalf of Grantor (notwithstanding the fact that the Indebtedness may not then be due and payable or that the Indebtedness is otherwise adequately secured), to adjust or join with Grantor in adjusting or compromising the claim for any such compensation, proceeds or awards. After deducting all costs of collection, such compensation, proceeds and awards shall be applied, at the option of Beneficiary, as follows: (a) as a credit upon any portion of the Indebtedness, as selected by Beneficiary; or (b) to restoring the Improvements, at the direction of Grantor. If Grantor is not then in default under the Line of Credit Promissory Note or any of the Security Documents, Beneficiary shall allow the proceeds to be applied as specified in alternative (b) of the above sentence, with any excess proceeds remaining after restoration of the Improvements to be applied as specified in alternative (a).

13.2 Grantor agrees to give Beneficiary immediate notice of the actual or threatened commencement of any such eminent domain proceeding, and agrees to promptly send to Beneficiary

copies of any and all papers served or received by Grantor in connection with any such proceedings. Grantor also agrees to make, execute and deliver to Beneficiary at any time or times, upon request, free, clear and discharged of any encumbrance of any kind whatsoever, any and all further assignments and/or other instruments which are deemed necessary by Beneficiary for the purpose of validly and sufficiently assigning to Beneficiary all such compensation, proceeds and awards to Beneficiary.

14. Estoppel Statements. Within fifteen (15) days after written request from the other party, Grantor and Beneficiary agree to furnish to the other, or to any third parties identified in the request, an estoppel statement, duly acknowledged, of the amount of the Indebtedness then due and whether any offsets or expenses exist against the Indebtedness and, if so, the nature thereof.

15. Maintenance of Books and Records.

15.1 Grantor shall maintain complete and accurate books and records, showing in detail the earnings and expenses of the Property, and shall permit Beneficiary or its designated representatives to examine such books and records and all supporting vouchers and data at any time and from time to time on request, at the offices of Grantor or at such other location to which the parties may mutually agree. Within twenty (20) days after demand, Grantor shall furnish to Beneficiary a statement prepared by an independent certified public accountant or the chief financial officer of Grantor in accordance with generally accepted accounting principles, showing in detail all such earnings and expenses since the last such statement, verified by the affidavit of Grantor. In the event that Grantor or any subsequent owner shall refuse or fail to furnish any such statement or in the event such a statement is inaccurate or false, Grantor will have committed a default hereunder.

15.2 Grantor shall, within one hundred twenty (120) days after the end of Grantor's fiscal year, provide Beneficiary with (a) a complete rent roll of the Property showing the names and addresses of all tenants, the spaces occupied, the lengths of terms, any extension or renewal rights of tenants, and all current rents including percentage and other additional rents; (b) a statement of income and expenses for the Property; (c) a statement of assets and liabilities of Grantor; (d) a statement reflecting any material changes in Grantor's financial position for the past fiscal year, and (e) a balance sheet of Grantor as of the end of the fiscal year, setting forth in each case comparative figures for the preceding fiscal year. All such statements shall be in reasonable detail and certified by the chief financial or chief executive officer of Grantor to be complete and correct in all material respects and to have been prepared in accordance with generally accepted accounting principles, consistently followed throughout the periods involved, and to present fairly the results of operations of Grantor for such fiscal year and the condition of Grantor at the date thereof. The certification of Grantor shall state that to the best of Grantor's knowledge there exists no event or condition which constitutes, or which would constitute, upon the lapse of time or the giving of notice, or both, an event of default hereunder or, if so, stating the facts with respect thereto.

16. Advances by Beneficiary to Protect Security.

16.1 Upon default by Grantor in performance of any of the terms, covenants or conditions in this Deed of Trust, or upon a default of any party obligated under the Line of Credit Promissory Note or Security Documents in the performance of any terms, covenants or conditions in such documents, Beneficiary may, at its option and whether or not it elects to declare the Indebtedness due and payable, pay such amounts and take such actions as Beneficiary may deem necessary or appropriate to cure the



default or protect the value of the security for the Line of Credit Promissory Note. Beneficiary may take such actions and make such payments without the same being a waiver of any other remedy. Any amounts so paid by Beneficiary, all costs incurred by Beneficiary under the authorizations contained in this Section, and any other costs, charges or expenses incurred by Beneficiary in the protection of the Property, shall be payable by Grantor to Beneficiary upon notice, and shall be additional Indebtedness secured by this Deed of Trust.

16.2 In making any payment authorized above relating to taxes, assessments, water rates, sewer rentals and other governmental or municipal charges, fines, impositions or liens, Beneficiary may rely upon any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of the bill, statement or estimate, and without inquiring into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof. Beneficiary, in making such a payment relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim or charge, shall be the sole judge of the legality or validity of same.

16.3 Notwithstanding the above provisions, in the event that Beneficiary wishes to pay under authority of this Section 16 any lien, charge or other such amount, Beneficiary shall give to Grantor at least ten (10) days' notice prior to making any such advances, except in the case of emergency or where the prior conduct of Grantor indicates that there is not a reasonable possibility that Grantor would respond to the notice. If Grantor, after receiving such notice, (a) advises Beneficiary in writing within five (5) days after the date of the notice of Grantor's intent to contest its obligation to pay the liens, charges or other amounts which Beneficiary proposes to pay; and (b) Grantor furnishes Beneficiary with cash, a bond, an irrevocable unconditional letter of credit or other security satisfactory to Beneficiary in an amount equal to one and one-half times the amount of such contested lien or charge, then in such event Beneficiary shall not advance payment of such contested amounts. In any event, if Grantor contests the payment of such amounts, the amounts shall be paid prior to any foreclosure of the lien or charge and prior to any other event which would jeopardize Grantor's title to the Property or the lien of this Deed of Trust.

17. Deed of Trust Subordinate to Prior Deeds. This Deed of Trust is subject and subordinate to that Deed of Trust on the Property in the approximate amount of \$1.1 million held by Cyprus Federal Credit Union.

18. Proceeds Subrogated. If any Indebtedness advanced by Beneficiary to Grantor is used, directly or indirectly, to pay off, discharge or satisfy, in whole or in part, any prior lien or encumbrance upon the Property or any part thereof, then Beneficiary shall be subrogated to any security held by the holder of such other lien or encumbrance, notwithstanding any release of the same from the public records.

19. Partial Releases by Beneficiary. Beneficiary, without notice to Grantor, without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior deeds of trust or other liens on the Property, may release any part of the Property or other security described in the Security Documents and may release any person liable for any Indebtedness without in any way affecting the priority of this Deed of Trust, to the full extent of the remaining Indebtedness, on the remainder of the Property. Beneficiary may also agree with any party obligated for the Indebtedness or having any interest in the Property or other security for the Indebtedness to extend the time for payment of any part or all of the Indebtedness or to modify the terms for the payment thereof, or take additional

security for the payment of the Indebtedness. No such action or agreement will release or impair the lien or effect of this Deed of Trust or bar Beneficiary from exercising any right, power or privilege granted in this Deed of Trust or in any of the other Security Documents, in the event of any default or any subsequent default.

20. Usury. Nothing contained in this Deed of Trust or the other Security Documents shall be construed or shall so operate either presently or prospectively to require Grantor to pay interest at a rate greater than the rate which is now lawful for transactions of this kind in the State of Utah, or require Grantor to make any payment or do any act contrary to law. If the interest rate exceeds any applicable law relating to interest, then this Deed of Trust and the Security Documents shall be interpreted and construed to require payment of interest only to the extent of such maximum lawful rate, not to exceed the rate set forth in the Line of Credit Promissory Note or in this Deed of Trust, where applicable.

21. Actions and Proceedings. Beneficiary shall have the right (but not the obligation) to appear in and defend any proceeding or action with respect to the Property, and to bring any action or proceeding respecting the Property as Beneficiary reasonably deems advisable, either in its own name or in the name of and on behalf of Grantor.

22. Sale of Property; Transfer of Interests in Grantor.

22.1 Grantor understands that Beneficiary, in making the advances evidenced by the Line of Credit Promissory Note, is relying to a material extent upon the business expertise and net worth of Grantor and its principals, Andrew Logue, Simon Logue and Sally Logue, and upon its and their continuing interest in the Property and in the entity which is the Grantor. Accordingly, neither Grantor nor its principals, shall, without Beneficiary's prior written consent (which Beneficiary may withhold in its sole and unfettered discretion), either directly or indirectly, voluntarily or involuntarily:

- (a) sell, assign, transfer, convey, or dispose of the Property, by installment sale contract or otherwise, or grant any option for the purchase of the Property or any part thereof;
- (b) sell, assign, transfer, convey or dispose of any interest in Grantor;
- (c) lease the Property except in the normal course of business;
- (d) allow or permit a sale, assignment, transfer, conveyance or disposition by devise or descent or by operation of law of any interest or estate in the Property or any interest in Grantor;
- (e) further encumber the Property, voluntarily or involuntarily, or by operation of law, or allow to exist against the Property any lien, mortgage, deed of trust, or other financial encumbrance; or
- (f) create or allow the creation of any lien or security interest in any personal property, fixtures or equipment included within the Property.

22.2 Any action described in the above subsection shall be an Event of Default hereunder (as hereafter defined in Section 28), for which Beneficiary will be entitled to its remedies for default, as provided herein. The word "Property" as used herein shall have the full meaning earlier given, and

specifically shall include any parts or portions of the Property.

22.3 Whether or not Beneficiary's consent has been obtained, Grantor shall give immediate written notice to Beneficiary of any conveyance, transfer or change of ownership of the Property or of any interest described in this Section 22.

23. Notices. Any notice required or permitted to be given hereunder must be in writing and given (a) by depositing same in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested; (b) by delivering the same in person to such party; (c) by transmitting a facsimile copy to the correct facsimile phone number of the intended recipient; or (d) by depositing the same into the custody of a nationally recognized overnight delivery service addressed to the party to be notified. In the event of mailing, notices shall be deemed effective three (3) days after posting; in the event of overnight delivery, notices shall be deemed effective on the next business day following deposit with the delivery service; in the event of personal service or facsimile transmissions, notices shall be deemed effective when delivered. For purposes of notice, the addresses of the parties shall be as follows:

If to Beneficiary, to: Mr. Lindsay Logue  
c/o Royale Group  
12 Route 17 North  
Paramus, New Jersey, 07652

With copy to: Gregory K. Mueller, Esq.  
Mueller Law Group  
19 Engle Street  
Tenafly, New Jersey 07670

If to Grantor, to: Mr. Andrew Logue  
313 South Mayfield Drive  
Emigration Canyon, Utah, 84108

Mr. Simon Logue  
313 South Mayfield Drive  
Emigration Canyon, Utah, 84108

Ms. Sally Logue  
313 South Mayfield Drive  
Emigration Canyon, Utah, 84108

With copy to: Mr. Benjamin Logue  
313 South Mayfield Drive  
Emigration Canyon, Utah, 84108

From time to time any party may designate another or additional addresses for all purposes of this Deed of Trust by giving the other party no less than ten (10) days' advance notice of such change of address in

accordance with the notice provisions hereof.

24. Assignment of Leases, Rents and Profits.

24.1 Grantor hereby assigns, transfers and conveys to Beneficiary, as primary security for repayment of the obligations under the Line of Credit Promissory Note and satisfaction of Grantor's obligations under the Security Documents, all right, title and interest of Grantor in and to all leases affecting the Property, including without limitation any oil and gas leases, and all rents, income, receipts, revenues, issues and profits from or due or arising out of the Property.

24.2 Grantor (a) will not execute any further assignment of any of its right, title or interest in the Leases, Rents, Contracts and Profits; (b) will enforce the performance and observance of the substantial and material covenants and obligations of the tenants under the Leases; (c) will not, except where Grantor is the landlord and the tenant is in default thereunder, terminate or consent to the cancellation or surrender of any Lease now existing or hereafter to be made (except that any such Lease may be cancelled if promptly after the cancellation Grantor as landlord enters into a new Lease with a new tenant having a credit standing, in the reasonable judgment of Beneficiary, at least equivalent to that of the tenant whose Lease was cancelled, on terms not less favorable to Grantor than those contained in the cancelled Lease); (d) will not modify any such Lease where Grantor is the landlord to shorten the unexpired Lease term or decrease the amount of the rent and other charges payable by the tenant thereunder; (e) will not accept prepayments of any installments of rent to become due under any of Leases in excess of one month, except prepayments in the nature of security for the performance of the lessees' obligations thereunder; (f) will not in any other manner impair the value of the Property or the security of this Deed of Trust; (g) will observe and perform each and every term to be observed or performed by Grantor pursuant to the terms of any agreement or recorded instrument affecting or pertaining to the Property; and (h) will not permit any Lease to be subordinated to any deed of trust which is subordinate to this Deed of Trust.

25. Restrictions and Other Private Property Interests.

25.1 Grantor represents and warrants that to the best of Grantor's knowledge neither this Deed of Trust, the Property, nor the contemplated use of the Improvements, constitute a breach of, or a violation of, any covenants, conditions, easements or restrictions, whether of record or not, affecting or binding upon the Property, or alternatively that such breach or violation has been approved or waived by all parties required by law to so approve or waive such breach or violation. Grantor covenants and agrees that it will take all action necessary to prevent any such breach or violation from hereafter occurring, and defend and indemnify Beneficiary from any consequences of such a breach or violation.

25.2 Grantor shall at all times faithfully and timely perform or cause to be performed all of the terms, covenants and conditions on Grantor's part to be performed, which are contained in any restriction, agreement, easement, permit or other document affecting the Property. Grantor covenants and agrees that it will not waive or modify any of the material terms of any of the restrictions, agreements, easements, permits or other instruments, or the rights or easements created thereby, or cancel or surrender same, or release or discharge any party thereunder or person bound thereby or from the terms, covenants or conditions thereof, or permit the release or discharge of any party thereunder, without the prior written consent of Beneficiary. Grantor shall take all necessary action to

enforce the performance of all of the obligations of the other parties to and the persons bound by such restrictions, agreements, easements, or permits, or other documents.

Grantor will promptly send to Beneficiary copies of all notices, advices, demands, requests, consents, statements, approvals, disapprovals, authorizations, determinations, satisfactions, waivers, designations, refusals, confirmations or denials which it shall give or receive under any of the aforesaid agreements, easements, permits and other documents.

26. Changes in Zoning. Grantor covenants not to initiate, join in, or consent to any change in any zoning ordinance, private restrictive covenants, or other public or private restriction changing, limiting or restricting the uses which may be made of the Property, without the prior written consent of Beneficiary in each instance, which consent shall not be unreasonably withheld if such change is not inconsistent with the current use of the Property and does not in Beneficiary's sole judgment diminish the security for the Indebtedness.

27. Covenants to Run with Land. All covenants contained in this Deed of Trust shall run with the land until this Deed of Trust is released of record, and even after such release certain covenants specified herein (including without exception the provisions of Sections 33, 34, 35 and 36 below) shall run with the land.

28. Default and Remedies.

28.1 Each of the following occurrences shall be a default hereunder (an "Event of Default"):

(a) Failure of Grantor to make any periodic payment under the Line of Credit Promissory Note when the same is due, whether at maturity or by acceleration or otherwise.

(b) Failure of Grantor within thirty (30) days after the date of a written notice from Beneficiary of such breach, to promptly and completely observe and perform each and every other obligation, covenant and agreement contained in the Line of Credit Promissory Note, in the Deed of Trust, or in any of the other Security Documents (excluding from this provision, however, the Event of Default defined in subsection 28.1(a) above and in the other subsections of this Section 28). If the breach is intrinsically incapable of being cured within such time, then in such case the breach shall constitute an Event of Default only if Grantor does not (i) commence actions to cure the breach within thirty (30) days after the date of Beneficiary's notice and (ii) diligently pursue the cure to completion thereafter. Nothing in the preceding sentence, however shall be interpreted to require Beneficiary to send a notice with regard to satisfaction by Grantor of any requirements set forth herein pertaining to insurance or taxes.

(c) Failure of Grantor to promptly and completely observe and perform all of the terms, covenants and conditions to be observed or performed by Grantor under the Line of Credit Promissory Note or any of the Security Documents beyond the applicable grace periods specified therein, if any.

(d) A trustee, receiver or liquidator of the Property or of Grantor is appointed by order of a court of competent jurisdiction and the appointment is not withdrawn or the party dismissed within sixty (60) days of the date of the appointment.

(e) The filing by any of the creditors of Grantor or any shareholder of Grantor of a petition in bankruptcy against Grantor or any shareholder of Grantor; for the reorganization of Grantor or any shareholder of Grantor pursuant to the Federal Bankruptcy Code or any similar law, federal or state, and the same is not discharged within sixty (60) days after the date of filing thereof.

(f) Grantor or any shareholder of Grantor takes or permits any of the following actions: (i) files a petition in bankruptcy or, for an arrangement, or for reorganization pursuant to the federal Bankruptcy Code or any similar law, federal or state; (ii) files a petition or answer consenting to, or acquiescing in, a reorganization, arrangement, adjustment, composition, liquidation, dissolution or similar relief, under any present or future statute, law or regulation; (iii) is adjudicated as a bankrupt; (iv) is determined to be insolvent by a decree of a court of competent jurisdiction; (v) makes an assignment for the benefit of creditors; (vi) admits its inability to pay its debts generally as they become due; or (vii) consents to the appointment of a receiver or receivers of all or any part of its assets.

(g) The granting or entry of a final judgment, order or decree for the payment of money against Grantor, and Grantor's failure to discharge the same or cause it to be discharged within ten days after the date of a written notice from Beneficiary, if in the judgment of Beneficiary the granting or entry adversely affects Beneficiary's security interest in the Property, Grantor's ability to manage and operate the Property, or Grantor's net worth and financial stability.

(h) The continuation of a default (after the expiration of any applicable grace period) under any security or loan document evidencing or securing any senior financing.

28.2 During any time an Event of Default exists, Grantor will pay to Beneficiary, upon written demand by Beneficiary, the entire Indebtedness then outstanding, and any other amounts payable hereunder or under any of the Security Documents. In addition thereto, Grantor shall pay such further amounts as shall be sufficient to cover the reasonable fees, costs and expenses of collection, including without limitation, reasonable attorneys' fees. In the event Grantor fails to pay such amounts upon such demand, Beneficiary shall be entitled and empowered, subject to the limitations, if any, set forth herein, to institute such action or proceedings at law or in equity as may be necessary or desirable to Beneficiary for the collection of the amounts due, and may prosecute any such action or proceedings to judgment or final decree. Beneficiary may enforce any such judgment or final decree against Grantor and collect, out of the property of Grantor wherever situated, as well as out of the Property in any manner provided by law, monies adjudged or decreed to be payable.

28.3 Beneficiary shall be entitled to recover judgment against Grantor before, after or during any proceedings for the foreclosure of this Deed of Trust, and the right of Beneficiary to recover such judgment shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of Beneficiary's remedies under this Deed of Trust. In case of proceedings against Grantor in insolvency or bankruptcy, or any proceedings for Grantor's reorganization or involving the liquidation of Grantor's assets, then Beneficiary shall be entitled to prove the whole amount of Indebtedness. However, in no case shall Beneficiary receive from the aggregate amount of the proceeds of the sale of the Property and the proceeds of any other actions a greater amount than the amount of the Indebtedness due from Grantor.

28.4 During all times during which an Event of Default exists, Beneficiary shall have the following rights and remedies:

(a) Beneficiary may declare the entire Indebtedness then outstanding to be due and payable

immediately, even if the same are not then due and payable.

(b) Regardless of whether Beneficiary accelerates the Indebtedness as authorized above, Beneficiary in person or by agent may (i) enter upon, take possession of, manage and operate the Property; (ii) make or enforce (or if the same be subject to modification or cancellation, modify or cancel) any or all of the Leases and Contracts upon such terms or conditions as Beneficiary deems proper; (iii) sign new Leases and Contracts in the name of Beneficiary or Grantor, evict existing tenants, and fix or modify rents and payments under Contracts; (iv) make repairs and alterations and do any acts which Beneficiary deems proper to protect the security hereof; (v) without taking possession, in its own name or in the name of Grantor, sue for or otherwise collect and receive the Rents and Profits, including those past due and unpaid. During the time of Beneficiary's actions as permitted herein, Beneficiary shall collect the Rents and Profits of the Property and apply the same, less the costs and expenses of operation and collection (including reasonable attorneys' fees and expenses), to the Indebtedness, in such order as Beneficiary may determine.

(c) Upon request of Beneficiary, Grantor shall assemble and make available to Beneficiary at the Real Estate any of the Property which has been removed from the Real Estate. The entering upon and taking possession of the Property, the collection of any Rents and Profits, and the application of the same as provided herein, shall not operate to cure or waive any default previously or subsequently occurring, or affect any notice of default delivered by Beneficiary hereunder, or invalidate any act done pursuant to any such notice.

(d) Notwithstanding possession of the Property by Beneficiary or a receiver, and the collection, receipt and application of Rents and Profits as described above, Beneficiary shall be entitled to direct the Trustee to exercise every right contained in this Deed of Trust or by law upon or after the occurrence of a default, including Beneficiary's right to direct the Trustee to exercise the power of sale set forth below. Any of the actions described herein may be taken by Beneficiary either in person or by agent, with or without bringing any action, and may be taken regardless of whether any notice of default or election to sell has been given hereunder, and without regard to the adequacy of the security for the Indebtedness.

(e) Beneficiary shall be entitled to the appointment of a receiver by a court having jurisdiction, who shall be entitled without notice to take possession of and protect the Property, operate the same, collect the Rents and Profits therefrom, and otherwise exercise any rights or authority granted to Beneficiary in this Deed of Trust. Beneficiary's right to the appointment of a receiver shall continue regardless of the value of the Property as security for the Indebtedness or the solvency of any person or corporation liable for the payment of such amount, and shall exist to the full extent provided by law. Notwithstanding the appointment of any receiver, liquidator or trustee for Grantor, or of any of its property, or of the Property, Beneficiary shall be entitled to retain possession and control of all Property now or hereafter held under this Deed of Trust, including, but not limited to, the Rents and Profits.

(f) Beneficiary may, at its option, bring an action in any court of competent jurisdiction to foreclose this instrument or to enforce any of the covenants and agreements hereof.

(g) All of the remedies of Beneficiary hereunder or otherwise provided by law shall be concurrent and cumulative, and may be exercised together or independently. Expenses incurred by Beneficiary, including reasonable attorneys' fees and expenses, shall be additions to the Indebtedness

secured hereby. The rights and powers in this Section shall be irrevocable and shall continue after sale hereunder if Grantor continues to have any redemption rights with respect to the Property (to the extent redemption rights are permitted hereunder).

(h) The failure of Beneficiary to exercise its right to accelerate the maturity of the Indebtedness or to exercise any remedies hereunder in any one or more instances, or acceptance by Beneficiary of partial payments, shall not constitute a waiver of any default or extend or affect the grace period, if any, provided herein. Beneficiary shall continue to have all of its remedies as long as an Event of Default exists. Acceleration of maturity, once claimed hereunder by Beneficiary, may, at the option of Beneficiary, be rescinded by written acknowledgment to that effect to Grantor by Beneficiary, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity, nor extend or affect the grace period, if any.

(i) No recovery of any judgment by Beneficiary and no levy of an execution under any judgment upon the Property shall affect, in any manner or to any extent, the lien of this Deed of Trust upon the Property, and any liens, rights, powers and remedies of Beneficiary shall continue unimpaired as before.

(j) In exercising the remedies herein described or taking any of the actions which are authorized herein, Beneficiary will be acting solely and exclusively as agent for Grantor in attempting to realize the maximum return from the Property and in attempting to obtain payment to Beneficiary of the amounts which Beneficiary is to receive pursuant to the Line of Credit Promissory Note. The parties acknowledge that in so doing, Beneficiary will not be or be deemed to be an "owner" or "operator" of the Property under any environmental statute, law, regulation or ordinance, and will not be assuming any obligations of Grantor to fully comply with all such statutes, laws, regulations or ordinances, as more particularly described in this Deed of Trust. Grantor will specifically defend and indemnify Beneficiary against any such liability, cost, loss or expense.

29. Power of Sale in Trustee. At the option of, and upon request and direction of Beneficiary, the Trustee shall cause the Property or any part thereof to be sold as follows:

29.1 Trustee may proceed as if all of the Property were real property in accordance with the provisions below or, if Beneficiary so elects, Trustee may treat any of the Property which consists of a right in action, or which is property that can be severed from the Property or the Improvements without causing structural damage thereto, as if the same were personal property, and dispose of the same in accordance with the personal property provisions below, separate and apart from the sale of real property, with the remainder of the Property being treated as real property.

29.2 Trustee may cause any such sale or other disposition to be conducted immediately following the expiration of the grace period, if any, herein provided (or immediately upon the expiration of any redemption or reinstatement period required by law and not waived herein) or Trustee may delay any such sale or other disposition for such period of time as Trustee deems to be in the best interest of Grantor and Beneficiary. Should Trustee desire that more than one such sale or other disposition be conducted, Trustee may, at its option, cause the same to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Trustee may deem to be in the best interests of Grantor and Beneficiary, and the power of sale granted to Trustee herein shall not expire



with the first such sale but shall continue through all sales until all of the Property has been sold.

29.3 Should Beneficiary request and direct the Trustee to cause any of the Property to be sold as personal property, Trustee or Beneficiary may dispose of any part thereof in any manner now or hereafter permitted by the Uniform Commercial Code of the State of Utah or in accordance with any other remedy provided by law. Any such disposition may be conducted by an employee or agent of Beneficiary. Both Grantor and Beneficiary shall be eligible to purchase any part or all of such property at any such disposition. Any such disposition may be either public or private as Beneficiary may so elect, subject to the provisions of the Uniform Commercial Code of the State of Utah. Expenses of retaking, holding, preparing for sale, selling or the like shall include Trustee's reasonable attorneys' fees and legal expenses. Upon such default Grantor, upon demand of Trustee, shall assemble such personal property and make it available to Trustee at the Real Estate, which Grantor, Beneficiary and Trustee agree is a place which is deemed reasonably convenient to them. Trustee shall give Grantor at least five (5) days' prior written notice of the time and place of any public sale or other disposition of such property, or of the time at or after which any private sale or any other intended disposition is to be made, and if such notice is sent to Grantor in the manner notices are sent herein, it shall be deemed to constitute reasonable notice to Grantor.

29.4 Should Beneficiary request and direct the Trustee to sell the Property or any part thereof which is real property or which Beneficiary has elected to treat as real property, upon such election, Trustee may proceed to foreclose its Deed of Trust in respect of said real property in the following manner: The Trustee, or his or her successor as herein provided for, at the request of the Beneficiary, shall proceed to take possession and to sell the Property, and any and every part thereof (in one or more parcels), in whole or in parcels, at public venue, to the highest bidder, for cash, at a front door (to be designated by Trustee) of the building then appointed for holding the foreclosure sale by the Circuit Court of Washington County, first giving notice of such sale in the manner now prescribed by statute; and upon such sale shall execute and deliver a deed of conveyance of the property sold to the purchaser or purchasers thereof. Any statement or recital of fact in such deed shall be prima facie evidence of the truth of such statement or recital. The Trustee, or his or her successor, shall receive the proceeds of said sale out of which Trustee shall pay (a) the costs and expenses of executing this trust, including lawful compensation to the Trustee for his or her services as provided by statute, and a reasonable attorneys' fee, which shall be immediately due upon first publication of sale as aforesaid; (b) to the Beneficiary, its endorsees or assigns, upon the usual vouchers therefor, any money required to be paid by Grantor under this Deed of Trust including, without limitation, money advanced for ground rents, taxes, insurance, repairs, judgments upon statutory lien claims and any other advances hereunder; (c) the amount unpaid on the Indebtedness, and all charges provided for herein; (d) all the other amounts secured by this Deed of Trust and (e) the balance of such proceeds, if any, shall be paid to the Grantor. The purchaser at any foreclosure sale shall not be obliged to look to the application of the proceeds thereof.

30. Waiver of Rights of Redemption. To the extent permitted by law with respect to the Indebtedness or any renewals or extensions thereof, Grantor waives and renounces any and all homestead and exemption rights; the benefit of all valuation and appraisal privileges; any rights under stay or redemption statutes; and any moratoriums under or by virtue of the constitution and laws of the State of Utah or of the United States now existing or hereafter enacted.

31. Provisions Regarding Trustee.

31.1 Trustee may act hereunder and may sell and convey the Property under the power of sale granted above, even though the Trustee has been, may now or hereafter be, an attorney or agent of Beneficiary with respect to the Line of Credit Promissory Note or with respect to any other matter or business whatsoever.

31.2 Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law, and Trustee covenants faithfully to perform and fulfill the trusts herein created, being liable, however, only for willful negligence or misconduct.

31.3 Beneficiary may from time to time, without notice to Grantor or Trustee and with or without cause, substitute a successor or successors to any Trustee named herein or acting hereunder to execute or exercise this Trust. Upon such appointment and without conveyance to the successor Trustee, the latter shall be vested with all title, powers and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written deed of appointment executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly filed for record in the Office of the Recorder of Deeds in and for the county in which the Property is situated, shall be conclusive proof of proper appointment of the successor Trustee. The procedure herein provided for substitution of Trustee shall not be exclusive of all other provisions for substitution, statutory or otherwise.

32. Environmental Representations and Warranties of Grantor.

32.1 Grantor covenants, represents and warrants to Beneficiary that to its actual knowledge:

(1) The Property is not being used to refine, produce, store, handle, transfer, process or transport Hazardous Material or any pollutant or contaminate as those terms are defined above or in the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 U.S.C.A. § 9601 (14);

(2) Grantor shall not in the future use all or any part of the Property for the purpose of refining, producing, storing, handling, transferring, processing, or transporting any pollutants or contaminates or any Hazardous Material or petroleum products in any manner which would result in a release or threatened release which could require response under applicable Environmental Regulations, nor shall Grantor permit or suffer any other party to use all or any part of its Property for any purpose forbidden herein.

(3) No violation of any Environmental Regulations now exists regarding the Property.

32.2 As used herein, the term "Hazardous Material" means any radioactive, hazardous, or toxic substance, material, waste, chemical, or similar item, the presence of which on the Property, or the discharge, emission, release, or threat of release of which on or from the Property, is prohibited or otherwise regulated by any laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the State of Utah, and all local or governmental or regulatory authorities exercising jurisdiction over Grantor or the Property, or which require special handling in collection, storage, treatment, or disposal by any such laws or requirements. The term Hazardous Material includes, but is

not limited to, any material, substance, waste or similar item which is now or hereafter defined as a hazardous material, substance or term of similar meaning under the laws of the State of Utah, the Federal Water Pollution Control Act (33 U.S.C. Section 1317), the Federal Resource Conservation and Recovery Act (RCRA) (42 U.S.C. Section 6901, *et seq.*), the Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and (SARA) (42 U.S.C. Section 9601, *et seq.*), any rules or regulations adopted by any administrative agency, including, but not limited to, the Environmental Protection Agency, the Department of Transportation, and any similar state or local agency having jurisdiction over the Property or the Hazardous Material, whether or not such rules and regulations have the force of law. The term "Environmental Regulations" as used herein means any federal, state or local laws, statutes, codes, ordinances, regulations, requirements or rules relating to any environmental matters, including the removal, handling, and disposal of hazardous or toxic waste materials.

### 33. Environmental Covenants of Grantor.

33.1 Grantor shall furnish to the United States Environmental Protection Agency or any lawful authority all information lawfully requested by them with respect to the operations of the Property. However, nothing herein shall operate to prevent Grantor from contesting any such information request by all lawful means.

33.2 Grantor shall operate its business on the Property, and require all tenants to operate their businesses on the Property, in a careful and prudent manner, and shall require the tenants to avoid and prevent any "release," as defined in CERCLA § 9601 (22), of any Hazardous Material on or about the Property into any waters or onto any lands, or air unless such release or disposal is pursuant to and in compliance with all applicable Environmental Regulations.

33.3 Grantor shall give written notice to Beneficiary immediately upon Grantor's acquiring knowledge of the presence of any Hazardous Material on the Property or of any Hazardous Material contamination thereon, with a full description thereof.

33.4 Grantor shall immediately advise Beneficiary in writing of any notices received by Grantor or its agents, contractors, authorized representatives and employees, alleging that the Property contains Hazardous Material or contamination thereof, or that a violation or potential violation of any Environmental Regulation laws, ordinances, rules or regulations exists on or at the Property, or because of actions by Grantor, any tenants, or the agents of the same.

33.5 Grantor shall immediately advise Beneficiary in writing of all claims made or threatened by any third party against Grantor, its agents, contractors, authorized representatives and employees, or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Material pertaining to the Property.

33.6 Grantor shall immediately advise Beneficiary in writing upon Grantor's acquiring knowledge of any discovery by Grantor's agents, contractors, authorized representatives or employees, of any occurrence or condition on the Property or on any real property adjoining or in the vicinity of the Property which does or could cause the Property to contain Hazardous Material or otherwise be in violation of any Environmental Regulations, or cause the Property to be subject to any restrictions on the

ownership, occupancy, transferability or use thereof under any Environmental Regulations.

33.7 At any time, and from time to time, during the term of this Deed of Trust, Beneficiary may notify Grantor in writing that it desires a site assessment or environmental audit ("Audit") of the Property to be made. At any time thereafter Grantor shall cause such an Audit to be made of the Property at Grantor's sole expense. Such Audit(s) shall be performed in a manner reasonably calculated to confirm and verify compliance with the provisions of this Deed of Trust. Grantor covenants to reasonably cooperate with the persons conducting the Audit to allow entry and reasonable access to all portions of the Property for the purpose of the Audit, to supply the auditors with all available historical and operational information regarding the Property as may reasonably be requested by the auditors, and to make available for meetings with the auditors appropriate personnel and tenants having knowledge of the matters relevant to the Audit. Grantor covenants to comply, at its own cost and expense, with all recommendations contained in the Audit, including any recommendation for additional testing and studies to detect the presence of Hazardous Material, or to otherwise confirm and verify Grantor's compliance with the provisions of this Deed of Trust, to the extent required by Beneficiary.

#### 34. Grantor's Obligations to Remedy Environmental Matters.

34.1 In the event any local governmental authority, any state or the federal government, or any agency of either, including, but not limited to, the United States Environmental Protection Agency, notifies Grantor that an investigation is being or will be conducted regarding the Property or that any "removal" or "remedial action" (as these terms are defined in 42 U.S.C. §§ 9601(23) and (24) (or successor legislation), or any cleanup operations of any kind or nature are necessary to be performed on the Property, or in the event any of such authorities commence, perform or complete any cleanup operation, then Grantor shall notify Beneficiary thereof and the Grantor shall have the right to contest, by any lawful means, (a) the determination of such governmental authority that such cleanup operation is necessary, (b) the means or methods of cleanup proposed, ordered or undertaken by such governmental authority, (c) the extent of the cleanup proposed, ordered or undertaken by such governmental authority, or (d) any other matter respecting or relating to the cleanup proposed, ordered or undertaken by such governmental authority. However, prior to Grantor's commencement of such contest Grantor shall notify Beneficiary of its intent to contest such items, and Beneficiary shall determine whether such contest may cause sufficient risk to either the environment or the impairment of the Property. Grantor may proceed with such contest pending Beneficiary's determination, but if Beneficiary determines that it is necessary to insure the protection of environment or the Property during such contest, Grantor shall provide to Beneficiary an amount sufficient to perform and complete the work, and to reimburse Beneficiary for any cleanup operations which has been or may be required to be performed. In lieu of such a cash deposit, the Grantor may provide a bond satisfactory to Beneficiary, or other security as Beneficiary may find satisfactory.

34.2 If Grantor fails to remove any Hazardous Material or otherwise comply with the Environmental Regulations, Beneficiary may, after notice to Grantor and the expiration of any cure period provided in this Deed of Trust, declare an Event of Default of this Deed of Trust and do whatever is necessary to either eliminate such Hazardous Material from the Property or otherwise cause compliance with the Environmental Regulations, in addition to exercising the other remedies of Beneficiary hereunder for a breach of this Deed of Trust. All losses, costs, damages, claims, and expenses incurred by Beneficiary on account of Grantor's failure to perform the obligations described in

this Deed of Trust shall be immediately due and payable.

35. Environmental Indemnification. Grantor hereby agrees to defend, indemnify and hold Trustee and Beneficiary (including the respective heirs, successors, assigns, employees, contractors, agents, officers and directors of Trustee and Beneficiary) harmless from, any and all actions, loss, liability, damage, cost or expense occasioned by, resulting from, or consequent to any Hazardous Material or Hazardous Material contamination on the Property; any releases or discharges of Hazardous Material from the Property; any manufacturing, treating, storing, maintaining, holding, handling, transporting, spilling, leaking or dumping of Hazardous Material on, from or at the Property; any other violation of Hazardous Material laws, ordinances, rules and regulations; any claim or assertion that any Hazardous Material or Hazardous Material contamination is located on the Property; any claim that any such activities or violations have been, or are being, engaged in on the Property; or any other failure or alleged failure of Grantor, Grantor's agents, contractors, authorized representatives or employees, the Property, to comply with the provisions of this Line of Credit Promissory Note. This indemnity shall be enforceable notwithstanding any attempts by Grantor to exercise due diligence in ascertaining whether or not any of the events outlined above affect the Property. The loss, liability, damage, cost, or expense which is covered by this indemnity shall include, without limitation, all foreseeable consequential damages; the costs of any required or necessary repair, cleanup or detoxification of the Property, including the soil and ground water thereof, and the preparation and implementation of any closure, remedial or other required plans; damage to any natural resources; and all reasonable costs and expenses incurred by Beneficiary in connection with the above, including but not limited to attorneys' and consultants' fees. It is the intent of Grantor and Beneficiary that neither Beneficiary nor Trustee shall have any liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or cleanup of, or otherwise with respect to Hazardous Material by virtue of the interest of Beneficiary or Trustee in the Property created hereby, or as the result of Beneficiary exercising any of its remedies hereunder, including but not limited to Beneficiary's becoming the owner of the Property by foreclosure or conveyance in lieu of foreclosure. Any amounts covered by the foregoing indemnification shall be added to the Indebtedness otherwise secured by the Deed of Trust, and shall be payable on demand and be a part of the Indebtedness secured hereby. Such expenses shall be reimbursed by Grantor to Beneficiary as and when such expenses are incurred, and Beneficiary shall not be required to wait until such losses, costs, damages, liabilities or expenses have been reduced to judgment.

36. Merger. There shall be no merger of this Deed of Trust or any other document securing the Line of Credit Promissory Note with the fee estate of the Real Estate by reason of the fact that the same party may hold or acquire, directly or indirectly, the Line of Credit Promissory Note, this Deed of Trust or any other document securing the Line of Credit Promissory Note and at the same time be the owner of the fee estate of the Property or thereafter acquire the fee estate of the Real Estate, or by reason of the fact that the same party may hold or acquire, directly or indirectly, the fee estate of the Real Estate and at the same time be the owner and holder of the Line of Credit Promissory Note, this Deed of Trust or any other instruments securing the Line of Credit Promissory Note or thereafter acquire the Line of Credit Promissory Note, this Deed of Trust or any other instrument securing the Line of Credit Promissory Note.

37. Miscellaneous.

37.1 In the event of a conflict between the terms, covenants and conditions of this Deed of Trust and those of any other Security Document, the terms, covenants and conditions of the document which shall enlarge the interest of Beneficiary in the Property, afford the Beneficiary greater financial security in the Property and/or assure payment of the Indebtedness in full, shall control.

The headings and captions of various paragraphs of this Deed of Trust are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

37.2 In the event any one or more of the provisions contained in this Deed of Trust or in the Line of Credit Promissory Note or in the Security Documents shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Deed of Trust or Line of Credit Promissory Note or other Security Document, but this Deed of Trust or Line of Credit Promissory Note or other Security Document shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

37.3 This Deed of Trust, and the rights of enforcement hereunder shall, without regard to the place of contract or payment, be construed and enforced according to the laws of the State of Utah.

37.4 Time is of the essence of this Deed of Trust, and the waiver of the options or obligations secured hereby shall not at any time thereafter be held to be an abandonment of such rights. Notice of the exercise of any option granted to Beneficiary or Trustee herein, or in the Line of Credit Promissory Note, is not required to be given, except as otherwise provided herein.

37.5 The covenants herein contained are joint and several and shall bind, and the benefits and advantages thereof shall also inure to the benefit of, the respective successors and assigns of the parties.

37.6 Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders.

38. Waiver of Trial by Jury. To the extent permitted by law, Grantor and Beneficiary hereby waive trial by jury in any action, proceeding or counterclaim brought by either party against the other on any matter arising out of or in any way connected with this Deed of Trust, and any other loan or security document given in connection herewith, the relationship of Grantor and Beneficiary, or Grantor's use and occupancy of the Property.

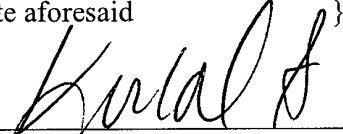
39. Choice of Jurisdiction and of Law. To the extent permitted by law, and as the Line of Credit Promissory Note and Security Documents all have jurisdiction and choice of law clauses indicating that New Jersey Courts have exclusive jurisdiction and that New Jersey law shall control, New Jersey law shall govern interpretation of this Deed of Trust and, to reiterate, the Line of Credit Promissory Note and Security Documents and the Superior Court of the State of New Jersey located in Hackensack, New Jersey shall have exclusive jurisdiction over any disputes that arise out of or under this Note, the making of this Note and the enforcement of payment under this Note.



State of Utah }  
 } ss.:  
County of Salt Lake City }

**Be it Remembered** that on July 31, 2019, before me, the subscriber, Andrew Logue, personally appeared who, being by me duly sworn on his oath, deposed and made proof to my satisfaction, that he is the Maker named in the within Instrument, as a principal of Busy Lane development, LLC; and said Maker signed and delivered the within Instrument in the presence of deponent, who thereupon subscribed his name thereto as attesting witnesses.

Sworn to and subscribed before me, }  
on the date aforesaid }

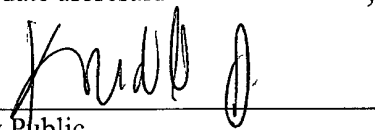
  
\_\_\_\_\_  
Notary Public



State of Utah }  
 } ss.:  
County of Salt Lake }

**Be it Remembered** that on July 31, 2019, before me, the subscriber, Sally Logue, by her guardian ad litem, Benjamin Logue, personally appeared who, being by me duly sworn on his oath, deposed and made proof to my satisfaction, that Sally Logue is the Maker named in the within Instrument as a principal of Busy Lane development, LLC; and said Maker signed and delivered the within Instrument in the presence of deponent, who thereupon subscribed his name thereto as attesting witnesses.

Sworn to and subscribed before me, }  
on the date aforesaid }

  
\_\_\_\_\_  
Notary Public



Prepared by:

Gregory K. Mueller, Esq.  
19 Engle Street  
Tenafly, New Jersey 07670  
(201) 567-4969



Exhibit A  
Legal Description of Property

Order Number: 56209A

Escrow Officer: Marlisa Bouck at (801) 561-9166

**Exhibit "A"**

**Commercial Unit 1, Commercial Unit 2, Commercial Unit 3 and Commercial Unit 4, contained within the STRATFORD CONDOMINIUMS, Utah Mixed Use Condominium Project, as the same is identified in the Record of Survey Map recorded in Salt Lake County, Utah, as Entry No. 9946062, in Book 2006P, at Page 384, and in the Declaration of Covenants, Conditions and Restrictions and Bylaws of the STRATFORD CONDOMINIUMS, Utah Mixed Use Condominium Project, recorded in Salt Lake County, Utah, on December 20, 2006 as Entry No. 9946063, in Book 9397], at Page 3579, of the official records, and all amendments thereto.**

**TOGETHER WITH: (a) The undivided ownership interest in said Condominium Project's Common Areas and Facilities which is appurtenant to said Unit, (the referenced Declaration of Condominium providing for periodic alteration both in the magnitude of said undivided ownership interest and in the composition of the Common Areas and Facilities to which said interest relates); (b) The exclusive right to use and enjoy each of the Limited Common Areas which is appurtenant to said Unit, and (c) The non-exclusive right to use and enjoy the Common Areas and Facilities included in said Condominium Project (as said Project may hereafter be expanded) in accordance with the aforesaid Declaration and Survey Map (as said Declaration and Map may hereafter be amended or supplemented) and the Utah Condominium Ownership Act.**