WHEN RECORDED RETURN TO: Sid and Linda Thatcher, individually 2694 West 1800 South Logan, Utah 84321

With a Copy to: Stibor Group, LLC 900 S. 4th St. #219 Las Vegas, NV 89101 Attn: Ryan Stibor, Esq.

Assessor's Parcel No. 10-038-0011

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E# 2552285 PG 1 OF 14
ERNEST D ROWLEY, WEBER COUNTY RECORDER
01-Dec-11 0355 PM FEE \$38.00 DEP SY
REC FOR: CACHE TITLE- LOGAN
ELECTRONICALLY RECORDED

DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, AND FIXTURE FILING

THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, AND FIXTURE FILING (this "Deed of Trust") is made and entered into on November 15, 2011, by and among Little Mountain Rabbit Patch, LLC, a Utah limited liability company, whose mailing address is 61 South Fairway Drive North Salt Lake, Utah 84054, as trustor ("Trustor"), Cache Title Company, Inc., whose mailing address is 65 West 100, North Logan, Utah 84321, as trustee ("Trustee"), and Sid & Linda Thatcher, whose mailing address is 2694 West 1800 South, Logan, Utah 84321, as beneficiary ("Beneficiary").

WITNESSETH:

WHEREAS, Trustor has executed a Promissory Note, dated as of the date hereof, in favor of Beneficiary and in the principal amount of One Million Seven Hundred Thousand Dollars (\$1,700,000) (the "Note");

WHEREAS, Beneficiary desires to secure the performance of Trustor's Obligations, as described herein, under the Note, and any other documents, agreements or instruments governing, evidencing or securing the Loan (the "Obligations"), and Trustor is willing to enter into this Deed of Trust to secure such Obligations.

AGREEMENT:

NOW, THEREFORE, upon the terms, covenants and conditions set forth in this Deed of Trust, and for good and valuable consideration, including the indebtedness herein recited as advanced to Trustor and the trust herein created, the receipt of which is hereby acknowledged, (i) Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth that certain real property located in the County of Weber, State of Utah, more particularly described in Exhibit A to this Deed of Trust (the "Property");

TOGETHER WITH any and all buildings and other improvements now or hereafter erected on the Property including, without limitation, fixtures, attachments, appliances, equipment, machinery, and other personal property attached to such buildings and other improvements (the "Improvements"), all of which shall be deemed and construed to be a part of the real property;

TOGETHER WITH all rents, issues, profits, damages, royalties, income and other benefits now or hereafter derived from the Property and the Improvements (collectively the "Rents") subject to the terms and provisions of this Deed of Trust with respect to all leases and subleases of the Property or Improvements now or hereafter existing or entered into, or portions thereof, granted by Trustor, and further subject to the right, power and authority hereinafter given to Trustor to collect and apply such Rents;

TOGETHER WITH all leasehold estate, right, title and interest of Trustor in and to all leases or sales contracts covering the Property or the Improvements or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Trustor thereunder including, without limitation, all rights of Trustor against guarantors thereof, all cash or sales deposits, advance rentals, and payments of similar nature;

TOGETHER WITH all easements, rights-of-way and other rights now owned or hereafter acquired by Trustor used in connection with the Property or the Improvements or as a means of access thereto, and all water and water rights and shares of stock evidencing the same;

TOGETHER WITH all the estate, interest, right, title, other claim or demand, both in law and in equity, that Trustor now has or may hereafter acquire in any of the foregoing, or any other part of the Trust Estate (as defined below), and any and all awards made for the taking by eminent domain, or by any proceeding of purchase in lieu thereof, of the whole or any part of the Trust Estate; and

The entire estate, property, right, title and interest hereby conveyed to Trustee may hereafter be collectively referred to as the "Trust Estate."

ARTICLE 1: OBLIGATIONS SECURED

FOR THE PURPOSE OF SECURING, (IN SUCH ORDER OF PRIORITY AS BENEFICIARY MAY ELECT) (the "Obligations"):

- (a) Payment by Trustor of the entire principal balance of the Note together with any accrued interest thereon shall be due and payable to Beneficiary as specified in the Note;
- (b) The payment and performance of each and every agreement and obligation of Trustor under this Deed of Trust and under any other instrument given to further evidence or secure the payment and performance of any obligations secured by this Deed of Trust;
- (c) Payment of all sums advanced by Beneficiary or Trustee to protect the Trust Estate, with interest thereon equal to the default rate as specified in the Note;

- (d) For the benefit of Beneficiary, compliance with and performance of each and every provision of any declaration of covenants, conditions and restrictions, any maintenance, easement, party wall agreement, or any other agreement, document, or instrument by which the Trust Estate is bound or may be affected; and
- (e) Any extensions, renewals or modifications of, or advances under the Note, or any of the obligations contained in or otherwise evidenced by the Note, regardless of the extent of or the subject matter of any such extension, renewal, modification or advance.

ARTICLE 2: TITLE REPRESENTATIONS AND WARRANTIES

Trustor represents and warrants to Beneficiary that it is the owner of fee simple marketable title in and to the Property and that it shall defend title to the Property against all claims and demands whatsoever. Trustor further represents and warrants to Beneficiary that is not a "foreign person" within the meaning of the Internal Revenue Code of 1986, as amended, Sections 1445 and 7701.

ARTICLE 3: MAINTENANCE OF TRUST ESTATE

Trustor shall (a) maintain the Property at all times in good condition and repair; (b) not commit any waste of the Property; (c) comply at all times with all laws, ordinances, regulations, covenants and restrictions in any manner affecting the Property; (d) not commit or permit any act upon the Property in violation of law; and (e) do all acts which by reason of the character or use of the Property may be reasonably necessary to maintain and care for the same, the specific enumeration herein not excluding the general.

ARTICLE 4: INSURANCE

- 4.1 Trustor shall obtain and maintain insurance coverage satisfactory to Beneficiary, on the real estate and personal property securing the Loan. All insurance policies shall be issued by carriers with a Best's Insurance Reports policy holder's rating of A and a financial size category of Class VII and shall include a standard mortgagee clause (without contribution) in favor of and acceptable to Beneficiary. The policies shall provide for the following, and any other coverage that Beneficiary may from time to time deem necessary:
- (a) All-risk casualty insurance in the amount of one hundred percent (100%) of the replacement cost of the Improvements located on the Property. If the policy is written on a coinsurance basis, the policy must contain an agreed amount endorsement as evidence that the coverage is in an amount sufficient to insure the amount of the Loan. Beneficiary shall be named as the "Mortgagee" and "Loss Payee."
- (b) Commercial general liability coverage in a minimum amount of not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate. Beneficiary shall be named as an "Additional Insured."
- (c) Flood hazard coverage in the maximum amount available, if the Property is located in federally identified flood hazard area.

- 4.2 All policies of insurance required under this Deed of Trust shall be issued by companies approved by Beneficiary. The limits, coverage, forms, deductibles, inception and expiration dates and cancellation provisions of all such policies shall be acceptable to Beneficiary. In addition, each required property insurance policy shall provide that all proceeds be payable to Beneficiary to the extent of its interest. An approval by Beneficiary is not, and shall not be deemed to be, a representation of the solvency of any insurer or the sufficiency of any amount of insurance.
- 4.3 Each policy of insurance required under this Deed of Trust shall provide that it may not be modified or canceled without at least thirty (30) days' prior written notice to Beneficiary. When any required insurance policy expires, Trustor shall furnish Beneficiary with proof acceptable to Beneficiary that the policy has been reinstated or a new policy issued, continuing in force the insurance covered by the policy that expired. Trustor shall also furnish Beneficiary with evidence satisfactory to Beneficiary that all premiums for such policy have been paid within thirty (30) days of renewal or issuance. If Beneficiary fails to receive such proof and evidence, Beneficiary shall have the right, but not the obligation, to obtain current coverage and advance funds to pay the premiums for it. Trustor shall repay Beneficiary immediately on demand for any advance for such premiums, which shall be considered to be an additional loan to Trustor bearing interest as provided in the Note, and secured by this Deed of Trust.

ARTICLE 5: INDEMNIFICATION AND OFF-SET

- 5.1 <u>Indemnification</u>. Trustor shall indemnify and hold Beneficiary harmless from any and all losses, damages, claims, causes of action, suits, debts, obligations, or liabilities which arise from or are related to the Note, this Deed of Trust, any other document evidencing or securing the obligations of Trustor under the Note, or the use or occupation of the Property, or any part thereof. If Beneficiary commences an action against Trustor to enforce any of the terms, covenants or conditions of this Deed of Trust because of the breach by Trustor of any of such terms, covenants, or conditions, or for the recovery of any sum secured hereby, Trustor shall pay to Beneficiary attorneys' fees and costs actually incurred by Beneficiary. If Trustor breaches any material term, covenant or condition of this Deed of Trust, Beneficiary may employ an attorney or attorneys to protect Beneficiary's rights hereunder and in the event of such employment following any breach of Trustor, Trustor shall pay Beneficiary attorneys fees and costs actually incurred by Beneficiary, whether or not action is actually commenced against Trustor by reason of such material breach.
- 5.2 Off-Set. All sums payable by Trustor under this Deed of Trust shall be paid without notices, demand, counterclaim, set-off, deduction or defense and without abatement, suspension, deferment, diminution or reduction. The Obligations and liabilities of Trustor hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (a) any damage to or destruction of, prevention of use of, or any condemnation or similar taking of the Property or any part thereof; (b) any title defect or encumbrance or any eviction from the Property or any part thereof by title paramount or otherwise; (c) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Beneficiary, or any action taken with respect to this Deed of Trust by any trustee or receiver of Beneficiary, or by any court, in any such

proceeding; (d) any claim which Trustor has or might have against Beneficiary or any default by Beneficiary; or (e) any other occurrence whatsoever, whether similar or dissimilar to the foregoing.

ARTICLE 6: TAXES AND IMPOSITIONS

- Payment of Taxes and Impositions. Trustor shall pay, prior to delinquency, all real property taxes and assessments, general and special, and all other taxes, assessments and other governmental, municipal, or other charges or impositions of any kind or nature whatsoever which are assessed or imposed upon the Property, or become due and payable, and which create, may create, or appear to create, a lien upon the Property or any portion of the Property, or upon any equipment or other facility used in the construction, operation or maintenance of the Property (all of which taxes, assessments and other governmental charges of like nature are hereinafter referred to as "Impositions"); provided, however, that if, by law, any such Imposition is payable, or may at the election of the taxpayer be paid in installments, Trustor may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest. Unless such Imposition is paid directly by Beneficiary pursuant to Section 7.3, Trustor shall, if requested by Beneficiary, furnish Beneficiary, within thirty (30) days after the date upon which such Imposition is due and payable by Trustor, official receipts of the appropriate taxing authority, or other proof satisfactory to Beneficiary, evidencing the payments thereof.
- 6.2 Right to Contest. Trustor shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings, but such contest shall not be deemed or construed in any way as relieving, modifying or extending Trustor's covenant to pay any such Imposition at the time and in the manner provided in Section 6.1, unless Trustor has given prior written notice to Beneficiary of Trustor's intent to so contest or object to an Imposition, and unless, at Beneficiary's option (a) Trustor shall demonstrate to Beneficiary's satisfaction that the legal proceedings shall conclusively operate to prevent the sale of the Property, or any part thereof, to satisfy such Imposition prior to final determination of such proceedings; or (b) Trustor shall furnish a good and sufficient undertaking and sureties as may be required or permitted by law to accomplish a stay of such proceedings.

ARTICLE 7: ADDITIONAL COVENANTS

- 7.1 Payment of Utilities. Trustor shall pay when due all utility charges incurred by Trustor for the benefit of the Property or which may become a charge or lien against the Property for gas, electricity, water or sewer services furnished to the Property and all assessments or charges of a similar nature, whether public or private, affecting the Property or any portion thereof, whether or not such assessments or charges are liens thereon.
- 7.2 <u>Defense of Title</u>. Trustor has and shall preserve good and marketable fee title to the Property free of all liens, claims, charges, security interests, encumbrances, easements or restrictions occurring or attaching after the date hereof. Except as provided otherwise in Section 6.2, Trustor shall promptly discharge any above-described lien, which has, or may have, priority over or equality with the lien created by this Deed of Trust. Trustor shall appear in and defend

any action or proceeding purporting to affect the security hereof, the Property, or the rights or powers of Beneficiary or Trustee. Should Beneficiary elect to appear in or defend any such action or proceeding, Trustor shall pay all costs and expenses, including costs of evidence of title and reasonable attorney fees and costs, incurred by Beneficiary or Trustee. Trustor is, and as to any portion of the Trust Estate acquired hereafter will upon such acquisitions be, and shall remain the owner of the Trust Estate free and clear of any Liens and Encumbrances. Trustor shall not grant, shall not suffer to exist, and shall pay and promptly discharge, at Trustor's cost and expense, all Liens and Encumbrances and any claims thereof upon the Trust Estate, or any part thereof or interest therein. Trustor shall notify Beneficiary immediately in writing of any Lien or Encumbrance or claim thereof. Trustor shall have the right to contest in good faith the validity of any involuntary Lien or Encumbrance, provided Trustor shall first deposit with Beneficiary a bond or other security satisfactory to Beneficiary in such amount as Beneficiary shall reasonably require, but not more than one hundred fifty percent (150%) of the amount of the claim, and provided further that if Trustor loses such contest, Trustor shall thereafter diligently proceed to cause such Lien or Encumbrance to be removed and discharged. If Trustor shall fail to remove and discharge any Lien or Encumbrance or claim thereof, then, in addition to any other right or remedy of Beneficiary, Beneficiary may, after only such notice to Trustor as may be reasonable under the then existing circumstances, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due, or by procuring the discharge of such Lien or Encumbrance by depositing in a court a bond or the amount claimed or otherwise giving security for such claim, or by procuring such discharge in such manner as is or may be prescribed by law. Trustor shall, immediately upon demand therefor by Beneficiary, pay to Beneficiary an amount equal to all costs and expenses incurred by Beneficiary in connection with the exercise by Beneficiary of the foregoing right to discharge any Lien or Encumbrance or claim thereof, together with interest thereon from the date of each such expenditure at the Note rate. Such costs and expenses shall be secured by this Deed of Trust. "Lien or Encumbrance" and "Liens and Encumbrances" mean, respectively, each and all of the following in respect of the Trust Estate: leases, other rights to occupy or use, mortgages, deeds of trust, pledges, assignments, assignments as security, conditional sales, title retention arrangements or agreements, conditions, covenants, and restrictions, and other charges, liens, encumbrances, or adverse interests, whether voluntarily or involuntarily created and regardless of whether prior or subordinate to any estate, right, title, or interest granted to Trustee or Beneficiary in this Deed of Trust,

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

by this Deed of Trust and shall accrue interest at the default interest rate as specified in the Note until paid. Trustor hereby waives and releases all claims or causes of action that may hereafter arise in favor of Trustor against Beneficiary by reason of any action taken by Beneficiary granted in this Section 7.3.

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

7.4 <u>Further Assurance</u>. Trustor shall execute and deliver to Beneficiary such further documents and do such further acts as may be necessary or as may be reasonably required by Beneficiary to carry out more effectively the purposes of this Deed of Trust and to subject to the lien and mortgage created or intended to be created hereby any property, rights, or interests covered or intended to be covered by this Deed of Trust.

ARTICLE 8: CONDEMNATION AWARDS

If the Property or any portion thereof should be taken or damaged by reason of any public improvement or condemnation proceeding, or in any purchase in lieu thereof, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, and shall be entitled at Beneficiary's option to commence, appear in, and prosecute in Beneficiary's own name any action or proceeding, and to make any compromise or settlement, in connection with such taking. Trustor shall promptly give notice to Beneficiary of any condemnation proceeding or any taking for public improvement. All such compensation, awards, damages, causes of action, proceeds, or other payments are hereby assigned to Beneficiary, which may, after deducting therefrom all costs and expenses (regardless of the particular nature thereof and whether incurred with or without suit or before or after judgment), including attorney fees, incurred by Beneficiary in connection with such compensation, awards, damages, rights of action, proceeds, or other payments, release any and all moneys so received by Beneficiary or apply the same, or any portion thereof, on any of the Obligations (whether or not then due) secured by this Deed of Trust. Beneficiary shall have no obligation to apply proceeds of condemnation to restore or repair damage to the Property regardless of whether such taking has a significant adverse impact on the operation of the remaining portion of the Property. Trustor shall execute and deliver to Beneficiary such further assignments of such compensation, awards, damages, causes of action, proceeds, or other payments as Beneficiary may from time to time require.

ARTICLE 9: ASSIGNMENT OF RENTS AND INCOME

Trustor hereby irrevocably assigns, transfers, and conveys to Beneficiary during the term of this Deed of Trust, any and all sales contracts, deposits, rents, income, and profits of and from the Property. Until the occurrence of an Event of Default (as hereinafter defined), Trustor may collect and use all such sales contracts, deposits, rents, income, and profits which become payable prior to default. Upon the occurrence of an Event of Default hereunder and upon Beneficiary's election to collect the sales contracts, deposits, rents, income, and profits as hereinafter provided, Trustor's right to collect and use any of such proceeds shall cease, and Beneficiary shall have the right, with or without taking possession of the Property, and either in person, by agent, or through a court-appointed receiver (Trustor hereby consents to the appointment of Beneficiary or Beneficiary's designee as such receiver), to sue for or otherwise collect all such sales contracts, deposits, rents, income, and profits, including those past due and unpaid. All buyers, tenants, lessees, and other persons which have any obligation to make any purchase or payment to Trustor in connection with the Property or any portion thereof are hereby authorized and directed to pay or fulfill any sales contracts, deposits, rents, income, and profits payable by them with respect to the Property, or any part thereof, directly to Beneficiary on the demand of Beneficiary.

Beneficiary's receipt of sales proceeds, deposits, rents, income, and profits shall be a good and sufficient discharge of the obligation of the purchaser, tenant, lessee, sublessee, or other person concerned to make the payment connected with the amount so received by the Beneficiary. When all of the Obligations have been fully satisfied and such satisfaction is evidenced by a recorded deed of reconveyance of this Deed of Trust, this assignment shall no longer be of effect and shall be void.

The entering upon and taking possession of the Property or any portion of the Property or the collection of deposits, and contractual collection of rents, income, profits, proceeds of fire and other insurance policies, or compensation or awards for any taking or damaging of the Property, or the application or release thereof as aforesaid, shall not cure or waive any Event of Default or notice of default hereunder, shall not invalidate any act done pursuant to such notice of default, and shall not operate to postpone or suspend the obligation to make, or have the effect of altering the size of any scheduled installments provided for in any of the Obligations secured by this Deed of Trust. Trustor shall indemnify and hold Beneficiary harmless from and against all claims, demands, judgments, liabilities, actions, costs, and fees (including reasonable attorney fees) arising from or related to receipt by Beneficiary of the deposits, rents, income and profits from the Property or any portion of the Property, except those liabilities arising from Beneficiary's own gross negligence.

ARTICLE 10: EVENTS OF DEFAULT AND REMEDIES

10.1 Events of Default. The occurrence and continuance of any one of the following shall constitute an event of default (herein referred to as an "Event of Default"): (a) except as provided otherwise in Section 10.1(b), failure by the Trustor to observe and perform any of the terms, covenants, or conditions to be observed or performed by Trustor contained in either this Deed of Trust or the Note for a period of ten (10) days after written notice, specifying such failure and requesting that it be remedied, given to Trustor by Beneficiary, unless Beneficiary

shall agree in writing to an extension of such time prior to its expiration; or (b) if Trustor shall fail to make any payment due and payable under the terms of this Deed of Trust or the Note within ten (10) days of when due; or (c) any material representation or warranty of the Trustor contained in this Deed of Trust, or the Note was untrue when made; or (d) the occurrence of a default, breach or an event of default under the Note, the Deeds of Trust, or any other document relating to, governing, securing or evidencing the indebtedness evidenced by the Note.

10.2 <u>Acceleration; Notice</u>. Time is of the essence hereof. Upon the occurrence of any Event of Default under this Deed of Trust, at Beneficiary's option and in addition to any other remedy Beneficiary may have under the Note, Beneficiary may declare all sums secured hereby immediately due and payable and elect to have the Property sold in the manner provided herein, and by applicable law. In the event Beneficiary elects to sell the Property, Beneficiary may cause Trustee to execute a written notice of default and of election to cause the Property to be sold to satisfy the obligations hereof, and Trustee shall file such notice for record in the office of the County Recorder of the County wherein the Property is located. Beneficiary may, at its option, declare all or any part of the Obligations immediately due and payable without any presentment, demand, protest or notice of any kind.

Beneficiary may, in addition to the exercise of any or all of the remedies specified in Section 10.2:

- (a) either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Trust Estate, or any part thereof, in its own name or in the name of Trustee, and do any acts that it deems necessary or desirable to preserve the value, marketability or rentability of the Trust Estate, or any part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Trust Estate, sue for or otherwise collect the Rents, or any part thereof, including, without limitation, those past due and unpaid, and apply the same, less costs and expenses of operation and collection (including, without limitation, attorneys' fees) upon the Obligations, all in such order as Beneficiary may determine. The entering upon and taking possession of the Trust Estate, the collection of such Rents and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of all or any portion of the Trust Estate or the collection, receipt and application of Rents, Trustee or Beneficiary shall be entitled to exercise every right provided for in any of the Obligations or by law upon occurrence of any Event of Default, including, without limitation, the right to exercise the power of sale;
- (b) commence an action to foreclose the lien of this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;
- (c) exercise of the power of sale herein contained and deliver to Trustee a written statement of breach, notice of default and election to cause Trustor's interest in the Trust Estate to be sold; or

- (d) exercise all other rights and remedies provided herein, in any Loan Document or other document or agreement now or hereafter securing or guarantying all or any portion of the Obligations, or by law.
- Exercise of Power of Sale. After the lapse of such time as may then be required by law following the recordation of the notice of default, and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property on the date and at the time and place designated in the notice of sale, either as a whole or in separate parcels, and in such order as Beneficiary may determine, at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause deemed expedient, postpone the sale from time to time until it shall be completed and, in every such case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale. Trustee shall execute and deliver to the purchaser a Trustee's Deed conveying the Property so sold, but without any covenant of warranty, express or implied, except as required by law. The recitals in the Trustee's Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale. Trustee shall apply the proceeds of the sale to payment of (a) the costs and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's and attorney's fees and costs; (b) cost of any evidence of title procured in connection with such sale; (c) all sums expended under the terms hereof in conjunction with any default provision hereunder, not then repaid, with accrued interest at the Default Rate under the Note; (d) all sums then secured by this Deed of Trust; and (e) the remainder, if any, to the person or persons legally entitled thereto, or Trustee, in Trustee's discretion, may deposit the balance of such proceeds with the County Clerk of the County wherein the Property is located.
- 10.4 <u>Surrender of Possession</u>. Trustor shall surrender possession of the Property to the purchaser immediately after the sale of the Property as provided in Section 10.3 above, in the event such possession has not previously been surrendered by Trustor.
- 10.6 <u>Fixture Filing</u>. Upon its recording in the real property records, this Deed of Trust shall be effective as a financing statement filed as a fixture filing. The filing of any other financing statement relating to any personal property, rights or interests described herein shall not be construed to diminish any right or priority hereunder.
- 10.8 <u>Receiver</u>. If an Event of Default occurs, Beneficiary, as a matter of right and without regard to the then value of the Property or the interest of Trustor therein, shall have the right without notice to Trustor to apply to any court having jurisdiction to appoint a receiver or receivers of the Property and Trustor hereby irrevocably consents to such appointment. Any such receiver or receivers shall have all the usual powers and duties of a receiver and shall continue as such and exercise all such powers until completion of the sale of the Property or the foreclosure proceeding, unless the receivership is sooner terminated.
- 10.9 No Remedy Exclusive. No remedy conferred upon or reserved to Beneficiary under this Deed of Trust shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Deed of Trust or the Note or now or hereafter existing at law or in equity or by statute.

No delay or failure to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

10.10 Rights upon Default. In entering into the Note, Beneficiary has relied upon the rights available to Beneficiary under this Deed of Trust upon the occurrence of an Event of Default, including, but not limited to, the rights to accelerate the payment of any and all amounts secured by this Deed of Trust, to sell the property encumbered by this Deed of Trust pursuant to the power of sale granted hereunder, and the right to foreclose this Deed of Trust as a mortgage. In addition to any other damages that might be recoverable by Beneficiary under the terms of this Deed of Trust, Trustor shall be liable for any damages incurred by Beneficiary because Beneficiary is, for any reason, denied the opportunity to exercise Beneficiary's rights upon the occurrence of an Event of Default, including, but not limited to, such damages as are occasioned by depreciation of the Property, loss of use of the Property by Beneficiary, and all opportunity costs incurred through the loss of use of any funds as would have been received by Beneficiary through exercise of the power of the sale or foreclosure.

ARTICLE 11: DUE ON SALE

Notwithstanding anything to the contrary in Section 10.1, in the event the Trustor shall either hypothecate, pledge or encumber the Property, or any part thereof, or any interest therein (except in favor of Beneficiary), without the express written permission of Beneficiary first had and obtained or be divested of title in any manner, whether voluntarily or involuntarily, or in the event of the transfer of 51% or more of the voting stock, partnership interests, or membership interests of Trustor, either in one transaction or in the aggregate in immediate transactions, then all obligations secured by this Deed of Trust, irrespective of the maturity date, at the option of Beneficiary and without demand or notice, shall immediately become due and payable.

ARTICLE 12: RELEASES

12.1 Release of Lien of Deed of Trust. Unless Beneficiary otherwise consents in writing and subject to the lot release provisions of the Note, the Property or any part thereof covered by this Deed of Trust shall not be released until all indebtedness and obligations of Trustor under the Note have been paid and performed in full.

ARTICLE 13: GENERAL PROVISIONS

- 13.1 <u>Notices</u>. Trustor hereby requests that a copy of notice of default and notice of sale be mailed to it at the address set forth above.
- 13.2 <u>Severability</u>. If any provision of this Deed of Trust shall be held or deemed to be or shall, in fact, be illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions contained in this Deed of Trust or render the same invalid, inoperative, or unenforceable to any extent whatever.
- 13.3 <u>Amendments, Changes, and Modifications</u>. This Deed of Trust may not be amended, changed, modified, altered, or terminated without the written consent of Beneficiary.

- 13.4 Governing Law. This Deed of Trust shall be governed exclusively by and construed in accordance with the applicable laws of the State of Utah, without giving effect to its conflict of laws principles.
- 13.5 <u>Binding Effect</u>. This Deed of Trust shall be binding upon Trustor and Trustor's successors and assigns. This Deed of Trust shall inure to the benefit of Beneficiary, and Beneficiary's successors and assigns, and the holders of any of the Obligations secured hereby.
- 13.6 <u>Waivers</u>. Beneficiary's failure at any time or times hereafter to require strict performance by Trustor of any of undertakings, agreements, or covenants contained in this Deed of Trust shall not waive, affect, or diminish any right of Beneficiary hereunder to demand strict compliance and performance therewith. Any waiver by Beneficiary of any Event of Default under this Deed of Trust shall not waive or affect any other Event of Default hereunder, whether such Event of Default is prior or subsequent thereto and whether of the same or a different type. None of the undertakings, agreements, or covenants of Trustor under this Deed of Trust shall be deemed to have been waived by Beneficiary, unless such waiver is evidenced by an instrument in writing signed by an officer of Beneficiary and directed to Trustor specifying such waiver.
- 13.7 Access. Beneficiary, or Beneficiary's authorized agents and representatives, are hereby authorized and shall have the right, at all reasonable times during the existence of this Deed of Trust and upon reasonable written notice to Trustor, to enter upon the Property or any portion of the Property for the purpose of inspecting the Property or for the purpose of performing any of the acts that Beneficiary is authorized under this Deed of Trust to perform.
- 13.8 <u>Successor Trustee</u>. Beneficiary may appoint a successor trustee at any time by filing for record in the office of the County Recorder of Weber County, State of Utah, a substitution of trustee. From the time the substitution is filed for record, the new Trustee shall succeed to all the powers, duties, authority and title of Trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made in the manner provided by law.
- 13.9 <u>Heirs, Successors, Etc., Definitions</u>. This Deed of Trust shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. All obligations of Trustor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including any pledgee, of the Note. In this Deed of Trust, whenever the context so requires, the masculine gender includes both the feminine and neuter, and the singular number includes the plural.
- 13.10 Acceptance of Trust. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.
- 13.11 Attorneys' Fees. If any lawsuit is commenced to enforce any of the terms of the Deed of Trust, the prevailing party will have the right to recover its attorneys' fees and costs of suit from the other party. Also, Beneficiary and Trustee will have the right to recover all

attorneys' fees and costs incurred with respect to any insolvency or bankruptcy action or proceeding involving Trustor as a debtor.

IN WITNESS WHEREOF, this Deed of Trust has been executed the date and year first above written.

TRUSTOR:

LITTLE MOUNTAIN RABBIT PATCH, LLC a Utah limited liability company

Name: Richard C. Weeks

Its: Manager

STATE OF UTAH

COUNTY OF UTAH

The foregoing instrument was acknowledged before me this 23 day of November, 2011 by

) ss:

Notary Public

Sign Name:

Print Name: Kaly wary

[NOTARIAL SEAL]

My Commission Expires: 4-20-15



NOTARY PUBLIC KELLY D. WARD Commission No. 610719 Commission Expires JUNE 20, 2015 STATE OF UTAH

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL NO. 1

Part of the Southeast Quarter of Section 17, Township 6 North, Range 3 West, Salt Lake Base and Meridian, U.S. Survey: BEGINNING at a point in the center of Spur Rail said point being 24.85 feet North 89°50' East along the section line and 1181.94 feet North 0°02'24" East from the Southwest corner of said quarter section; Running THENCE North 0°02'24" East 255.62 feet along the centerline of said spur rail; THENCE North 89°45'54" East 268.03 feet to an existing fence line existing fence line extended; THENCE South 01°16'45" West 255.71 feet along said fence and fence line extended; THENCE South 89°45'54" West 262.50 feet to THE POINT OF BEGINNING.

TAX ID No.: 10-038-0011

PARCEL NO. 2

Part of the Southeast Quarter of Section 17, Township 6 North, Range 3 West, Salt Lake Base and Meridian, U.S. Survey; BEGINNING at a point which is 25 feet North 89°50' East and North 0°02'24" East 50 feet from the intersection of the centerline of 900 South Street (being the South section of line of Section 17) and the West line of the East ½ of Section 17; Running THENCE North 89°50' East along the North line of 900 South Street 949.8 feet to the Westerly line of 9300 West Street 2219.25 feet; THENCE South 89°50' West 949.80 feet to the centerline of easement as deeded in Book 1229, Page 641, Parcel 1, said point being on East line of the property deeded to the Western Zirconium Inc. in Book 1265, Page 698; thence South 0°02'24" West along said Easterly line 2219.25 feet to THE POINT OF BEGINNING.

EXECPTING THEREFROM the following described parcel:

BEGINNING at a point in the center of Spur Rail said point being 24.85 feet North 89°50' East along the section line and 1181.94 feet North 00°02'24" East from the Southwest corner of said quarter section; Running THENCE North 00°02'24" East 255.62 feet along the centerline of said spur rail; THENCE North 89°45'54" East 268.03 feet to an existing fence line extended; THENCE South 01°16'45" West 255.71 feet along said fence and fence line extended; THENCE South 89°45'54" West 262.50 feet to THE POINT OF BEGINNING.

TAX ID No.: 10-038-0014

PROPERTY ADDRESS: 791 SOUTH 9300 WEST, OGDEN, UT 84404