

WHEN RECORDED RETURN TO:

Quest Trust Company  
17171 Park Row,  
Houston, TX 77084

Tax Parcel No(s). 14-219-0001

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## DEED OF TRUST

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THIS DEED OF TRUST is made this 10/31/222, by, Homes and Houses Utah LLC, a Utah limited liability company ("Trustor"), whose address is 11902 S. Autumn Ridge Dr., Sandy, Utah 84092, to 1<sup>st</sup> Liberty Title, LC ("Trustee"), in favor of and for the benefit of Quest Trust Company FKA Quest IRA Inc FBO Heidi Stapel IRA #2897121 as to an undivided interest of 30% and Quest Trust Company FKA Quest IRA Inc FBO Heidi Stapel IRA #2897171 as to an undivided interest of 40% and Quest Trust Company FKA Quest IRA Inc FBO David Stapel IRA #2898521 as to an undivided interest of 30% ("Beneficiary"), whose address is 17171 Park Row, Houston, TX 77084.

### WITNESSETH:

WHEREAS, Trustor is indebted to Beneficiary in the principal sum of Three Hundred Ten Thousand and 00/100 Dollars (\$310,000.00) which indebtedness is evidenced by that certain Promissory Note, dated of even date herewith (the "Note"); and

WHEREAS, Trustor has agreed to secure its obligations, as more fully set forth below, by granting this Deed of Trust;

NOW THEREFORE, TRUSTOR DOES HEREBY IRREVOCABLY GRANT, BARGAIN, SELL, CONVEY AND WARRANT TO TRUSTEE IN TRUST WITH FULL POWER OF SALE, the following described property situated in Davis County, State of Utah, the record owner of which is Trustor, more particularly described on Exhibit A, attached hereto and by this reference made a part hereof (the "Trust Property"), together with all buildings, fixtures, improvements and personal property thereon, and all rights of way, easements, rents, general intangibles, issues, profits, income, tenements, hereditaments, privileges and appurtenances thereunto belonging, now or hereafter acquired, used or enjoyed with the Trust Property, or any part thereof.

FOR THE PURPOSE OF SECURING all of Trustor's obligations set forth in the Note.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES AS FOLLOWS:

1. Title. Trustor covenants, warrants and agrees with Beneficiary, and its successors and assigns, that Trustor owns the Trust Property in fee free from any monetary lien or encumbrance except for an existing deed of trust that is or will be the first priority lien on the Trust Property, that this Deed of Trust is and will remain a valid and enforceable second priority lien on the Trust Property, that Trustor, at its expense, will preserve such title and will maintain this Deed of Trust as a second lien upon the Trust Property, and will forever warrant and defend the validity and priority of the lien hereof against the claims of all persons and parties whomsoever. Trustor, at its expense, will cause this Deed of Trust, and each amendment or supplement hereto, to be filed and recorded in such manner and in such place and will take such action as in the opinion of Trustee may be required by any present or future law in order to perfect, maintain and protect the lien of this Deed of Trust, as the same may be amended or supplemented from time to time. Trustor will make such further assurance or assurances to perfect its title to the Trust Property as may be required by Beneficiary.

2. Application of Payments. All payments received by Beneficiary as to any debt, liability or obligation owed to Beneficiary by Trustor shall be applied by Beneficiary to the payment of the Indebtedness as set forth in the Note.

3. Charges; Liens. Except as otherwise set forth herein and any first priority monetary lien, Trustor will keep the Trust Property free from all charges, liens and encumbrances, whether statutory, voluntary or involuntary (other than the lien created by this Deed of Trust), and whether superior or inferior to this Deed of Trust, excluding however non-delinquent real estate tax liens and special assessment liens.

4. Insurance. Trustor shall maintain all insurance coverages reasonably required by Beneficiary with respect to the Trust Property as of the date of this Deed of Trust, if any. The policy or policies for such insurance coverages shall be in form and content reasonably acceptable to Beneficiary, provide that the same may not be modified without prior written notice to Beneficiary, provide that any loss shall be payable notwithstanding any negligent or intentional act or omission of Borrower or anyone else which might otherwise result in the forfeiture of such insurance, and shall have non-contributing loss payable provisions in favor of and in form acceptable to Beneficiary, entitling Beneficiary to collect any and all proceeds payable under such insurance policies. All premiums on insurance policies shall be paid on or before the date or dates such payments are due. Beneficiary shall have the right to hold the policies and renewals thereof and Trustor shall promptly furnish to Beneficiary all renewal notices and all paid premiums receipts received by Trustor. In no event shall Beneficiary or Trustor be held responsible for failure to pay insurance premiums or for any loss or damage arising out of a defect in any policy or arising out of any failure of any insurance company to pay for any loss or damage insured against or for failure by Trustor to affect the insurance required hereunder. In the event of loss, Trustor shall give prompt notice by mail to the insurance carrier and Beneficiary. Beneficiary may make proof of loss if not made promptly or in proper form by Trustor. All policies of insurance and any and all refunds of unearned premiums are hereby assigned to Beneficiary as additional security for the payment of the Indebtedness. In the event of Beneficiary's exercise of the power of sale contained herein, or in the event of foreclosure, all

right, title and interest of Trustor in and to any insurance policy then in force shall pass to the purchaser at the trustee's sale or foreclosure sale. In the event of loss or damage by fire or other casualty, Beneficiary, at its sole option, may require Trustor to use any insurance proceeds to either immediately rebuild any portion or all of the improvements or apply the insurance proceeds to reduce the then outstanding Indebtedness. Any disbursement of the insurance proceeds for rebuilding shall be upon such conditions as set forth in Trustor's ground lease of the Trust Property, if any.

5. Preservation and Maintenance of Trust Property. Trustor will keep the Trust Property at all times in good repair and condition, and Trustor shall not commit, suffer or permit any waste or deterioration of the Trust Property, ordinary wear and tear excepted. Trustor may, in Trustor's sole and absolute discretion, alter the structural character of any improvements constituting the Trust Property or otherwise make any improvements or alterations to the Trust Property. Trustor will not do any act or thing which would unduly impair or materially depreciate the value of the Trust Property and will not abandon the Trust Property. Trustor will comply with all present and future ordinances, requirements and regulations of any governmental body which are applicable to the Trust Property and to the occupancy and use thereof. In all events, Trustor shall complete in good and workmanlike manner any repairs which may be hereafter commenced upon or with respect to the Trust Property. Trustor further agrees to pay when due all costs and expenses incurred therefor, and not to permit any construction, mechanics, materialmen or other liens against the Trust Property to remain in place for more than thirty (30) days.

6. Protection of Security. If Trustor fails to perform any of the covenants and agreements contained in this Deed of Trust and such failure continues for a period of thirty (30) days after written notice from Beneficiary to Trustor (except in the event of emergency in which case no notice need be given to Trustor), or if any action or proceeding is commenced which does or may adversely affect the Trust Property or the interest of Trustor or Beneficiary therein or the title of Trustor thereto, then Beneficiary, at its option, may perform such covenants and agreements, make such appearances, defend against and investigate such action or proceeding and take such other action as Beneficiary deems reasonably necessary to protect its interest including, but not limited to, disbursement of reasonable attorney fees and entry upon the Trust Property to make repairs. Any amounts disbursed by Beneficiary pursuant to this Section 6, with interest thereon, shall constitute indebtedness of Trustor secured by this Deed of Trust (together with all other amounts due to Beneficiary under this Deed of Trust, collectively, the "Indebtedness"). Unless Trustor and Beneficiary agree to other terms of payment, such amounts shall be payable upon demand from Beneficiary to Trustor, and shall bear interest from the date of disbursement at a rate of ten percent (10%) per annum (the "Default Rate"). Nothing contained in this paragraph shall require Beneficiary to incur any expense or take any action hereunder. Trustor irrevocably authorizes and empowers Beneficiary to enter upon the Trust Property as Trustor's agent and, in Trustor's name or otherwise, to perform any and all covenants and agreements to be performed by Trustor as herein provided. Beneficiary shall, at its option, be subrogated to any encumbrance, lien, claim or demand and to all rights and securities for the payment thereof paid or discharged by Beneficiary under the provisions hereof and any such subrogation rights shall be additional and cumulative security for this Deed of Trust.

7. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Trust Property, or any part thereof, or for conveyance in lieu of or in anticipation of condemnation, are hereby assigned to and shall be paid to Beneficiary. Trustor irrevocably authorizes and empowers Beneficiary, in the name of Trustor or otherwise, to file, prosecute, settle or compromise any such claim and to collect, receipt for and retain the proceeds. The proceeds of any award or claim may, after deducting all reasonable costs and expenses, including attorney fees, which may have been incurred by Beneficiary in the collection thereof, at the sole discretion of Beneficiary, be released to Trustor, applied to restoration of the Trust Property, or applied to the payment of the Indebtedness (without any prepayment penalty or premium).

8. Trustor Not Released. Extension of the time for payment or modification of any amortization of the Indebtedness granted by Beneficiary to Trustor or any successor in interest of Trustor shall not operate to release, in any manner, the liability of Trustor or Trustor's successors in interest. Beneficiary shall not be required to commence proceedings against Trustor or any such successor or refuse to extend time for payment or otherwise modify amortization of the Indebtedness by reason of any demand made by Trustor or Trustor's successors in interest.

9. Assignment of Rents. Trustor hereby assigns to Beneficiary all rents, issues and profits now due or which may hereafter become due under or by virtue of any lease, whether written or verbal, or letting of, or of any agreement for the use or occupancy of the Trust Property, or any part thereof (the "Rents") and Trustor hereby confirms upon Beneficiary the right, power and authority to collect all Rents hereby irrevocably appointing Beneficiary its true and lawful attorney-in-fact to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue in the name of Trustor for all Rents and to apply the same to the Indebtedness. Without limiting the foregoing, Beneficiary shall have the right to notify all tenants and occupants of the Trust Property to pay Beneficiary all Rents due or to become due. Prior to the occurrence of an Event of Default (defined below), Trustor shall hold a revocable license to collect the Rents; immediately upon the occurrence of an Event of Default, such license shall be revoked and all Rents shall be paid to Beneficiary.

10. Sale or Transfer. In the event the Trust Property, or any part thereof, or any interest therein, is sold, agreed to be sold, conveyed or alienated by the Trustor, or by the operation of law or otherwise, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, including the Indebtedness, at the option of the Beneficiary, and without demand or notice, shall immediately become due and payable.

11. Ownership Change. Trustor will not change or dissolve its current entity structure or status prior to the maturity or satisfaction of the Indebtedness without the prior written approval of Beneficiary, which shall not be unreasonably withheld.

12. Time is of the Essence. Time is of the essence in all of Trustor's obligations and duties hereunder.

13. Successors and Assigns Bound; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Beneficiary, Trustee and Trustor. The captions and headings of the paragraphs of this

Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given in another manner, all notices or other communications which are required or permitted herein shall be in writing and sufficient if delivered personally, sent by prepaid overnight air courier, or sent by registered or certified mail, postage prepaid, return receipt requested, addressed to Trustor at its mailing address set forth above or at such other address as Trustor may designate by notice to Beneficiary as provided herein, and addressed to Beneficiary at its mailing address set forth above or at such other address as Beneficiary may designate by notice to Trustor as provided herein. Any such communication shall be deemed to have been given when delivered if delivered personally, on the business day after dispatch if sent by overnight air courier, or on the third business day after posting if sent by mail.

15. Governing Law; Severability. This Deed of Trust shall be governed by the laws of the State of Utah. In the event any provision or clause of this Deed of Trust conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust which can be given effect without the conflicting provisions and to this end the provisions of this Deed of Trust are declared to be severable.

16. Events of Default. Each of the following occurrences shall constitute an event of default hereunder (each an "Event of Default"):

- (a) Any violation or breach of the Note constituting an "Event of Default" under the Note;
- (b) Any failure by Trustor to adequately protect the Trust Property as set forth in this Deed of Trust;
- (c) Any representation or warranty made by Trustor to Beneficiary in this Deed of Trust or in the Note shall prove false or misleading in any material respect;
- (d) A trustee, receiver or liquidator of the Trust Property or of Trustor shall be appointed, or any of the creditors of Trustor shall file a petition in bankruptcy against Trustor, or for the reorganization of Trustor pursuant to the United States Bankruptcy Code, or any similar law, whether federal or state, and if such order or petition shall not be discharged or dismissed within sixty (60) days after the date on which such order or petition was filed;
- (e) Trustor shall file a petition pursuant to the United States Bankruptcy Code or any similar law, federal or state, or if Trustor shall be adjudged bankrupt, or be declared insolvent, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall consent to the appointment of a receiver of all or any part of the Trust Property; or
- (f) Final judgment for the payment of money shall be rendered against Trustor and Trustor shall not discharge the same, or cause it to be discharged, within thirty

(30) days after the entry thereof, or shall not appeal therefrom or from the order, decree or process upon which or pursuant to which said judgment was granted, based, or entered, and secure a stay of execution pending such appeal.

17. Acceleration of Debt; Foreclosure. Upon the occurrence of any Event of Default, or any time thereafter, Beneficiary may, at its option, declare all Indebtedness secured hereby immediately due and payable and the same shall thereupon bear interest at the Default Rate and, irrespective of whether Beneficiary exercises said option, it may, at its option and in its sole discretion, without any further notice or demand to or upon Trustor, do one or more of the following:

- (a) Beneficiary may enter upon, take possession of, manage and operate the Trust Property or any part thereof; make repairs and alterations and do any acts which Beneficiary deems proper to protect the security thereof, and either with or without taking possession, in its own name, sue for or otherwise collect and receive rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney fees and Beneficiary's costs, upon the Indebtedness secured hereby and in such order as Beneficiary may determine. Upon request of Beneficiary, Trustor shall assemble and shall make available to Beneficiary any of the Trust Property which has been removed. The entering upon and taking possession of the Trust Property, the collection of any rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default theretofore or thereafter occurring, or affect any notice of default or notice of sale hereunder or invalidate any act done pursuant to any such notice. Notwithstanding Beneficiary's continuance in possession or receipt and application of rents, issues or profits, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust or by law upon or after the occurrence of an Event of Default, including the right to exercise the power of sale. Any actions referred to in this paragraph may be taken by Beneficiary at such time as Beneficiary may determine without regard to the adequacy of any security for the Indebtedness.
- (b) Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession of, protect and manage the Trust Property and operate the same and collect the rents, issues and profits therefrom.
- (c) Beneficiary may bring any action in any court of competent jurisdiction to foreclose this Deed of Trust or enforce any of the covenants hereof.
- (d) Beneficiary may elect to cause the Trust Property or any part thereof to be sold under the power of sale, and in such event, Beneficiary or Trustee shall give such notice of default and notice of sale as may be then required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, Trustee, at the time and place specified by the notice of sale, shall sell such Trust Property, or any part thereof specified by Beneficiary (subject to applicable law), at public auction to the highest bidder for cash in lawful money of the United States of America. Upon receipt of payment of the

price bid, Trustee shall apply the proceeds in the following order: (i) to the costs and expenses of exercising the power of sale and of the sale, including the payment of trustee's fees actually incurred, (ii) to the Indebtedness, and (iii) the excess, if any, to the person or persons legally entitled thereto.

All costs and expenses incurred by Beneficiary in enforcing any right under this Deed of Trust, including without limitation, abstract or title fees, appraisal fees, premiums for title insurance, attorney fees and court costs, shall, to the extent permitted by law, be and constitute Indebtedness.

Notwithstanding the foregoing, in the event that at the time of foreclosure no additional monetary encumbrances have been recorded against the title to the Trust Property which were not encumbering the Trust Property on the date this Deed of Trust was recorded, then Trustor shall have the right to grant Trustee and/or Beneficiary a deed in lieu of foreclosure.

18. Duties of Trustee and Beneficiary. Trustor agrees that:

- (a) The duties and obligations of Trustee and Beneficiary shall be determined solely by the express provisions of this Deed of Trust and the Trustee and/or Beneficiary shall not be liable except for the performance of such duties and obligations as are specifically set forth herein, and no implied covenants or obligations shall be imposed upon Trustee;
- (b) No provision of this Deed of Trust shall require Trustee or Beneficiary to expend or risk its own funds, or otherwise incur any financial obligation in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers;
- (c) Trustee and/or Beneficiary may consult with counsel of its own choosing and the advice of such counsel shall be full and complete authorization and protection in the respect of any action taken or suffered by it hereunder in good faith and reliance thereon; and
- (d) Neither Trustee nor Beneficiary shall be liable for any action taken by it in good faith and reasonably believed by it to be authorized or within its discretion or rights or powers conferred upon it by this Deed of Trust.

19. Security Agreement and Fixture Filing. This Deed of Trust shall constitute a security agreement and, after recording, shall be effective as a financing statement filed as a fixture filing under the Utah Uniform Commercial Code with respect to all goods constituting a part of the Trust Property including, without limitation, those which are or are to become fixtures related to the real estate described herein, together with all substitutions and replacements therefor and all other property of Trustor, either similar or dissimilar to the same, together with all proceeds thereof. For this purpose, the following information is provided:

- (a) Name and Address of Trustor:

Homes and Houses Utah, LLC  
Attn: Nathanael Dardon  
11902 S. Autumn Ridge Dr.  
Sandy, UT 84092

- (b) Name and Address of Beneficiary (Secured Party):  
Quest Trust Company Fbo Heidi Stapel Ira #2897121 as to undivided interest 30%, Quest Trust Company Fbo Heidi Stapel HSA #2897121 as to undivided interest 40%, Quest Trust Company Fbo David Stapel Ira #2898521 as to undivided interest 30% 17171 Park Row, Houston, TX 77084

20. Reconveyance. Upon payment of all Indebtedness, or portions thereof, Beneficiary shall request Trustee to re-convey the Trust Property or portions thereof to Trustor, all in accordance with the terms and conditions of the Note. Trustee shall re-convey the Trust Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

21. Substitute Trustee. Beneficiary, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Deed of Trust is recorded. Without conveyance of the Trust Property, the successor trustee shall succeed to all title, power and duties conferred upon Trustee herein and by applicable law.

22. Miscellaneous Rights of Beneficiary. Any personal property remaining upon the Trust Property after the Trust Property has been possessed or occupied by Beneficiary, its agent or any purchaser following trustee's sale, foreclosure or under deed in lieu of trustee's sale or foreclosure, shall be conclusively presumed to have been abandoned by Trustor.

23. Request for Notice. Each party to this Deed of Trust hereby requests that copies of any notice of default and notice of sale be sent to them at their respective mailing addresses set forth above.

[Signature and Acknowledgement to Follow]





EXHIBIT A

All of Lot 1, HAZELWOOD ESTATES, West Point City, Davis County, Utah, according to the official plat thereof.