

WHEN RECORDED RETURN TO:
Mountain West Small Business Finance
2595 East 3300 South
Salt Lake City, Utah 84109

5082465
1402-478-004

11743422
10/17/2013 12:07:00 PM \$17.00
Book - 10185 Pg - 8829-8832
Gary W. Ott
Recorder, Salt Lake County, UT
BACKMAN TITLE SERVICES
BY: eCASH, DEPUTY - EF 4 P.

**Real Estate Lease
Subordination Agreement and Assignment of Rents**

This Subordination Agreement is entered into by:

PETES DIESEL REPAIR, INC.

("Lessee") for the benefit of Mountain West Small Business Finance ("MWSBF") and its successor in interest, the Small Business Administration ("SBA").

RECITALS

A. Lessee has heretofore leased from:

WARRCO, LLC

("Lessor") by lease dated May 11, 2012 for a term of twenty years (the "Lease") certain real and personal property described in SBA Loan Authorization, SBA 504 No.: 52614250-00 (the "Leased Premises") known as:

5701 West 700 South, Salt Lake City, UT 84104

located in the County of Salt Lake, State of Utah and described as follows:

See Exhibit "A" which is attached hereto and incorporated herein by this reference.

B. MWSBF and the SBA have authorized the making of an SBA 504 Loan, Loan No. 52614250-00, to Lessor in the amount of \$ 1,045,000.00, due and payable on or before a time to be determined by the U.S. Secretary of the Treasury (the "Loan").

C. The Loan is for the benefit of both Lessee and Lessor, in that the funds are to be used for the benefit of the business conducted on the Leased Premises purchased and/or renovated by Loan proceeds.

D. A condition of the Loan is that the Lease be subordinated to the lien of a trust deed executed by Lessor and recorded as a lien superior to the Lease.

AGREEMENT

NOW, THEREFORE, in consideration of disbursement of the Loan or any part thereof, and for other good and valuable consideration the receipt and legal sufficiency of which are hereby acknowledged, Lessee covenants and agrees as follows:

1. No Default. Lessee is not now in default in the performance of the Lease; and Lessee will perform the covenants and conditions required of is by the Lease for the term of the Loan and any extensions or renewals of it.

2. Subordination of Lease. All rights under the Lease together with any and all right, interest, estate, title, lien, or charge against or respecting the Leased Premises (or any portion thereof) by virtue of the Lease, shall be and the same are hereby made subject, subordinate, inferior, and junior to the lien and title of MWSBF and the SBA represented by the SBA Note in the amount of \$ 1,045,000.00 and security instruments related to the Loan, including without limitation the Promissory Note, Deed of Trust, Security Agreement and UCC Financing Statements (filed with the Uniform Commercial Code Division for the State of Utah and as fixture filings in Salt Lake County, Utah) (the "Loan Documents") and to all rights, powers, title, and authority of MWSBF and the SBA under or in any way related to or arising out of the Loan Documents and to all sums heretofore or hereafter advanced on the security of the Loan Documents or any of them, including all sums advanced or costs incurred as fees, expenses, disbursements, or charges in connection with the Loan Documents or the Loan. The Lease Rights, together with any and all right, interest, estate, title, lien, or charge against or respecting the Leased Premises (or any portion thereof) by virtue of the Lease, are hereby subordinated to the Loan Documents the same and as fully as if the Loan Documents had been executed, delivered and, where appropriate, filed, prior to execution, delivery and filing of the Lease.

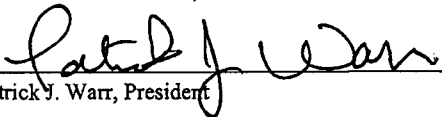
3. Assignment of Rents. The undersigned Lessee, for and in consideration of the moneys lent pursuant to the aforesaid note and other valuable consideration, receipt of which is hereby acknowledged, assign, transfer, and set over to CDC/SBA all sub-leases, including rents, profits, and income derived from the real estate and the building and improvements thereon, the full and complete right in SBA, in case of default in the payment of the indebtedness or any part thereof or failure to comply with any of the terms or conditions of the Note, Deed of Trust and Loan Agreements, as its assignee, to demand, collect, receive, and receipt for such rents, income and profits, to take possession of the premises and all leaseholds without having a receiver appointed therefore, to rent and manage the same from time to time and apply the net proceeds of the rents, income, and profits from the property on the indebtedness until all delinquencies, advances, and the indebtedness are paid in full by the application of the rents, or until title, is obtained through foreclosure otherwise.

4. This Agreement shall be binding upon and inure to the benefit of the personal representatives, successors and assigns of the parties hereto.

This Lease is executed and effective October 1, 2013.

LESSEE:

PETES DIESEL REPAIR, INC.


By: Patrick J. Warr, President

SCHEDULE A

Order Number: 5-082485

LEGAL DESCRIPTION

Parcel 1:

A tract of land which is a part and portion of Lot 22, all of Lot 23, Westport Industrial Park Plat 6 as recorded in the Office of the Salt Lake County Recorder and of that certain property described in Book 9849 at Page 3597 and located in the Southeast Quarter of Section 2, Township 1 South, Range 2 West, Salt Lake Base and Meridian, Salt Lake City, Salt Lake County, Utah, more particularly described as follows:

BEGINNING at a point 297.12 feet North 89°54'09" West along the Section line from the Southeast corner of said Section 2 and running thence North 89°54'09" West 777.27 feet along said Section line to a point on the southerly boundary line of 700 South Street and on a 1042.00 foot radius curve to the left; thence Northeasterly 373.67 feet along said Street and the arc of said curve through a central angle of 20°32'49" (chord bears North 63°30'04" East 371.67 feet) to a point of reverse curvature with a 958.00 foot radius curve to the right; thence Northeasterly 344.33 feet along said Street and the arc of said curve through a central angle of 20°35'38" (chord bears North 63°31'29" East 342.48 feet); thence North 82°06'27" East 138.06 feet along said Street; thence South 00°13'25" East 338.80 feet to the Section line and the POINT OF BEGINNING.

Parcel 1A:

Together with an easement estate created in that certain Cross Access, Cross Drainage and Maintenance Reservation, Dedication and Easement recorded June 21, 2012, as Entry No. 11414483, in Book 10028 at Page 1944 being described as follows:

Description of a 15-foot wide Cross Access, Cross Drainage and Maintenance Easement, being more particularly described as follows:

Beginning at a point which is North 89°54'09" West 282.12 feet from the Southeast Corner of Section 2, Township 1 South, Range 2 West, Salt Lake Base and Meridian, and running thence North 89°54'09" West 15.00 feet to the Southwest Corner of the adjusted Lot 22 (Parcel Number 14-02-478-002), recorded as Entry Number 1355311, in Book 10001, at Page 5254-5255, on file with the Salt Lake County Recorder's Office; thence North 00°13'25" West along the Westerly line of said adjusted Lot 22 338.80 feet to the Southerly line of 700 South Street and point of a 948.00 foot radius curve to the right; thence Easterly along said curve a distance of 15.12 feet through a central angle of 0°54'50" (chord bears North 82°33'51" East 15.12 feet) to a point 15.00 feet perpendicularly distant from the Westerly line of said adjusted Lot 22; thence South 00°13'25" East 340.78 feet to the point of beginning

Parcel No.: 14-02-478-004