

File No. 031709

When recorded return to:  
Lincoln Title Insurance Agency  
2225 Washington Boulevard, Suite 110  
Ogden, UT 84401

## SUBORDINATION AGREEMENT

(Deed of Trust)

**NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

THIS SUBORDINATION AGREEMENT, made this 19 day of July, 2019, by and between Compass Holdings Development, LLC, a Utah Limited Liability Company, (hereinafter referred to as "Beneficiary"), in favor of Cache Valley Bank, (hereinafter referred to as "Lender").

WITNESSETH:

THAT WHEREAS, Capital Reef Management, LLC a Utah Limited Liability Company, did execute a DEED OF TRUST dated October 18, 2018, to Thomas K. Checketts, a member of the Utah State Bar as Trustee, covering real property located in Davis County, State of Utah:

Beginning at the Southwest Corner of Bromsfield Subdivision, said point being South 89°50'45" East 326.40 feet along the section line to the Northwest Corner of Bromsfield Subdivision and South 2°41'00" West 127.20 feet along the west line of Bromsfield Subdivision and South 0°26'00" East 122.93 feet along the west line of Bromsfield Subdivision from the Northwest Corner of Section 25, Township 4 North, Range 1 West, Salt Lake Base and Meridian, and running; Thence South 89°50'45" East 1353.74 feet along the south line of Bromsfield Subdivision to the Southwest Corner of Lot 7, Bromsfield Subdivision; Thence South 8°58'01" East 13.36 feet; Thence southwesterly 145.97 feet along the arc of a 227.50 foot radius curve to the right, (center bears North 86°31'21" West and long chord bears South 21°51'30" West 143.48 feet, with a central angle of 36°45'42"); Thence southerly 120.73 feet along the arc of a 172.50 foot radius curve to the left, (center bears South 49°45'39" East and long chord bears South 20°11'23" West 118.28 feet, with a central angle of 40°05'56"); Thence South 0°08'25" West 28.27 feet; Thence southwesterly 89.72 feet along the arc of a 227.50 foot radius curve to the right, (center bears North 89°51'35" West and long chord bears South 11°26'20" West 89.14 feet with a central angle of 22°35'49"); Thence southeasterly 18.68 feet along the arc of a 15.00 foot radius curve to the left, (center bears South 67°15'46" East and long chord bears South 12°56'14" East 17.50 feet, with a central angle of 71°20'57"); Thence southeasterly 130.76 feet along the arc of a 227.50 foot radius curve to the right, (center bears South 41°23'17" West and long chord bears South 32°08'44" East 128.97 feet, with a central angle of 32°55'59"); Thence southeasterly 223.29 feet along the arc of a 172.50 foot radius curve to the left, (center bears North 74°19'16" East and long chord bears South 52°45'44" East 208.03 feet, with a central angle of 74°10'01"); Thence South 0°09'15" West 55.00 feet; Thence North 89°50'45" West 1447.77 feet; Thence North 0°35'45" West 517.68 feet; Thence South 89°24'15" West 27.00 feet to the east line of the East Frontage Road of State Highway No. 89, (Mountain Road); Thence North 0°35'45" West 162.53 feet along the east line of the east Frontage Road of State Highway No. 89, (Mountain Road) to the point of beginning.

11-036-0079

to secure a note in the sum of \$(None shown), dated October 18, 2018, in favor of Compass Holdings Development, LLC, a Utah Limited Liability Company, which deed of trust was recorded October 22, 2018, Entry No. 3124175, in Book 7125 at Page 761, official records of said county (hereinafter referred to as the "Deed of Trust"); and

WHEREAS, Capital Reef Management, LLC, a Utah limited liability company, (hereinafter "Owners") are currently vested with fee title to the above property; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note and other related documents (hereinafter collectively referred to as the "Loan Documents") in the sum of \$1,330,000.00 dated July 18, 2019 in favor of Lender, payable with interest and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that the Loan Documents shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the Deed of Trust; and

WHEREAS, Lender is willing to make said loan provided the Loan Documents securing the same constitute a lien or charge upon the above described property prior and superior to the lien or charge of the Deed of Trust and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the Deed of Trust to the lien or charge of the Loan Documents; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner and Beneficiary is willing that the deed of trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the Deed of Trust.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said Loan Documents securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the Deed of Trust first above mentioned.
- (2) That Lender would not make its loan above described without this Subordination Agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Deed of Trust first above mentioned to the lien or charge of Loan Documents in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the Deeds of Trust hereinbefore specifically described, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in the deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that:

- (a) It consents to and approves (i) all provisions of the Loan Documents in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan; NOTWITHSTANDING THE FOREGOING, it is not the intent of the parties that the Trust Deed be subordinated to other liens or rights that may have attached to the Property between the time of the recording of the Deed of Trust and the Loan Documents including but not limited to other deeds of trust or mechanics and materialman liens.
- (b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;

(c) Beneficiary intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and

(d) An endorsement has been placed upon the note secured by the deed of trust first above mentioned that said Deed of Trust has by this instrument been subordinated to the lien or charge of the Loan Documents in favor of Lender above referred to.

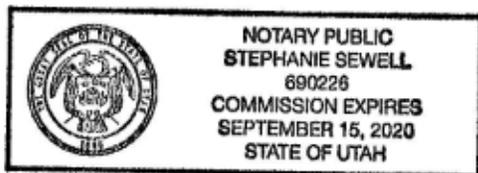
NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON(S) OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

Compass Holdings Development, LLC, a Utah  
Limited Liability Company

By: [Signature]  
Its: member

STATE OF UTAH )  
 ) : ss  
COUNTY OF DAVIS )

On the 19 day of July, 2019, personally appeared before me Matt yeates, who did say that he is the Member of Compass Holdings Development, LLC, a Utah Limited Liability Company and that the foregoing instrument was signed in behalf of said Limited Liability Company by authority of Compass Holdings Dev. LLC and that he duly acknowledged to me that said Limited Liability Company executed the same



[Signature]  
Notary Public  
Residing at: ogden - UT  
My Commission Expires: 9.15.2020