

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

Ent. 156452 Bk. 245 Pg. 307
Date: 12-AUG-2019 9:11:14AM
Fee: \$40.00 Check Filed By: CA
COLLEEN ALLEN, Recorder
WAYNE COUNTY
For: BACKMAN TITLE

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (hereinafter referred to as the "Agreement") is made and executed as of August 8, 2019 by and between SIX COUNTY ECONOMIC DEVELOPMENT DISTRICT (hereinafter referred to as "SIX COUNTY ") and Mountain West Small Business Finance for the benefit of its assignee, the SMALL BUSINESS ADMINISTRATION, an Agency of the Government of the United States of America (collectively hereinafter referred to as the "SBA").

RECITALS

A. There heretofore has been executed, delivered and recorded, for the benefit of SIX COUNTY, the following:

A Deed of Trust:

Stated Amount: \$212,000.00

Trustor(s): 670 TORREY LLC, a Utah limited liability company

Trustee: Paul H. VanDyke, Attorney

Beneficiary: SIX COUNTY ECONOMIC DEVELOPMENT DISTRICT

Dated: May 16, 2019

Recorded: June 10, 2019

Entry No.: 156318

Book/Page: 244/702

B. The Document referred to in Paragraph A above is hereinafter referred to as the "SIX COUNTY Document."

C. The SIX COUNTY Document affects that certain real property located in Wayne County, State of Utah, together with certain improvements now or hereafter located thereon, which real property is more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

D. 670 TORREY LLC is currently vested with fee title to the Property.

E. Conditional upon the execution of this Agreement, the SBA has agreed to make, or has made, a loan (hereinafter referred to as the "Loan") to 670 TORREY LLC in the aggregate principal sum not to exceed \$1,892,000.00 to provide, in part, for the purchase of and /or construction of a

building and improvements upon the Property. In connection with the Loan, the following described instruments have been, are being, or will be executed as evidence of the transaction or as security for the obligation of 670 TORREY LLC related thereto:

(i) One (1) Promissory Note (hereinafter referred to as the "SBA Note") in the aggregate principal amount of \$1,892,000.00, payable as provided therein to the order of Mountain West Small Business Finance.

(ii) One (1) Trust Deed, Fixture Filing and Assignment of Rents dated 2019 executed by 670 TORREY LLC, as Trustor, to the SBA, as Trustee, in favor of Mountain West Small Business Finance, as Beneficiary, which shall, by separate instrument, be assigned to the SBA, covering the Property, and securing, among other things, the SBA Note.

F. All of the Documents and foregoing instruments referred to in Paragraph E above, together with such other instruments as have been, are being, or will be executed and delivered by 670 TORREY LLC or by any guarantor or accommodation party, to or for the benefit of the SBA, in connection with the execution and delivery of the foregoing instruments are hereinafter collectively referred to as the "SBA Loan Documents."

G. The parties hereto desire that the SBA Loan fund and as a condition thereto, SBA requires this Subordination Agreement be signed and recorded.

NOW THEREFORE, for the reasons recited above, based upon the mutual promises set forth below, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, SIX COUNTY and the SBA do hereby mutually covenant, consent, and agree as follows:

1. Incorporation by Reference. The Recitals, above, are incorporated herein by this reference.

2. Subordination of the SIX COUNTY Document. The SIX COUNTY Document together with any and all right, interest, estate, title, lien or charge against or respecting the Property (or any portion thereof) arising by virtue of the SIX COUNTY Document shall be and the same are hereby made subject, subordinate, inferior, and junior to all rights, powers, title and authority of the SBA arising out of the SBA Loan Documents and each of them, including all ordinary costs incurred as fees, expenses, or charges in connection with the SBA Loan Documents or the SBA Loan advanced for unpaid property taxes or insurance required to be paid by the Trustor or collection costs involved in enforcing the terms of the SBA Loan Documents, the same and as fully as if the SBA Loan Documents had been executed and delivered and recorded or filed prior to the execution, delivery or filing of the SIX COUNTY Document.

3. No Personal Liability. Notwithstanding any of the other provisions hereof, this Agreement is not intended to create, shall not be deemed to create, and does not create any personal liability on the part of SIX COUNTY for repayment of the SBA Loan or on the part of SBA for repayment of the SIX COUNTY Loan.

4. Obligation Current. The obligation secured by the SIX COUNTY Document is paid current and SIX COUNTY hereby certifies and promises that it is not aware of any adverse change to the credit worthiness of 670 TORREY LLC .

5. Prepayment. Notwithstanding any provisions to the contrary in any instrument or document which memorializes or establishes the obligation secured by the SIX COUNTY Document, SIX COUNTY shall not require nor shall it accept payment or prepayment faster than the term of the SBA Note without SBA's prior written consent. To the extent Lender's note contains terms contrary to this requirement, said terms are hereby modified and amended to conform to this requirement. In the event SIX COUNTY breaches this covenant, it agrees, upon request of SBA, to pay to SBA such amounts received in advance of a 20 year amortization.

6. SBA Requirements. The Loan was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:

a) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.

b) CDC or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.

Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.

7. Authority. The persons executing this Agreement hereby warrant and represent that they have full power and authority to enter into this Agreement and to execute this Document.

8. Successors and Benefits. This Agreement is and shall be binding upon and shall inure to the benefit of SIX COUNTY , SBA and their respective successors and assigns.

9. Integration Clause. This writing sets forth the entire understanding of the parties and oral representations may not alter or vary the terms of this agreement.

10. Attorney's Fees. In the event this Agreement is breached, costs and attorneys fees shall be awarded the prevailing party to any litigation or action to enforce the terms of this Agreement.

EXECUTED as the day and year first above written.

SIX COUNTY ECONOMIC DEVELOPMENT DISTRICT

By: *Reanna J. Long*
Title: *Executive Director*

MOUNTAIN WEST SMALL BUSINESS FINANCE

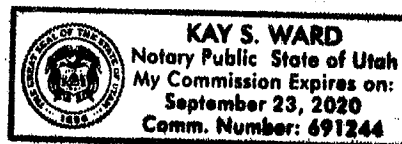
By: *Robert Edminster*
Robert Edminster, Sr. Vice President

Subordination Agreement Notary Page

STATE OF UTAH)
)
) :ss.
COUNTY OF Salt Lake)

The foregoing instrument was acknowledged before me this 8/8/19 by Robert Edminster, Sr. Vice President, Mountain West Small Business Finance.

Kay S Ward
_____, Notary Public



STATE OF UTAH)
)
) :ss.
COUNTY OF Salt Lake)

The foregoing instrument was acknowledged before me this 8/9/19
by Russell J Cowley (name), Executive Director (title),
SIX COUNTY ECONOMIC DEVELOPMENT DISTRICT.

K Beard
_____, Notary Public

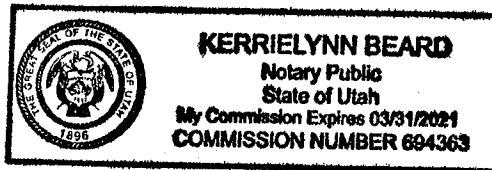


EXHIBIT "A"

LEGAL DESCRIPTION

Beginning at the Northwest corner of Tax Parcel O-867, said point being located North 00°11'48" West 1219.43 feet along the Quarter Section line and North 89°58'02" West 455.81 feet along the South right-of-way line of State Highway U-24 from the South Quarter corner of Section 7, Township 29 South, Range 5 East, Salt Lake Base and Meridian; and running thence South 448.65 feet along the West boundary of Parcel O-867 to the North line of Parcel O-867-2; thence South 89°59'23" West 430.80 feet along the existing fence line to the East boundary of Tax Parcel O-865; thence North 00°21'25" West 448.98 feet along said East boundary to the aforesaid South right-of-way line of State Highway U-24; thence South 89°58'02" East 433.59 feet along said right-of-way line to the point of beginning.

Together with an access easement and right-of-way described as follows: Beginning at the Northwest corner of Janet Quinn Smith & Paul Smith Parcel O-867, said point being located North 00°11'48" West 1219.43 feet along the Quarter Section line and North 89°58'02" West 455.81 feet along the South right-of-way line of State Highway U-24 from the South Quarter corner of Section 7, Township 29 South, Range 5 East, Salt Lake Base and Meridian; and running thence South 89°58'02" East 32 feet along said right-of-way line to a rebar & cap marked LS6616; thence South 30.00 feet; thence West 8 feet; thence South 418.62 feet to a rebar & cap marked LS161712 on the South boundary of Parcel O-867; thence South 89°59'23" West 24.00 feet along the South boundary to a rebar & cap marked LS164561 at the Southwest corner of said parcel; thence North 448.65 feet along the West boundary of said parcel to the point of beginning.

Parcel No.: 01-0039-0889

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