When Recorded Return To:

Mountain West Small Business Finance Attn: Hollie Boss 2595 East 3300 South Salt Lake City, UT 84109

5009240

Loan Name: PARAMOUNT

MACHINE, INC.

Loan No.: 404-430-5009

11236096 8/31/2011 10:28:00 AM \$26.00 Book - 9946 Pg - 6829-6837 Gary W. Ott Recorder, Salt Lake County, UT BACKMAN TITLE SERVICES BY: eCASH, DEPUTY - EF 9 P.

space above line for recorder

SUBORDINATION AGREEMENT

THIS AGREEMENT is dated for reference August 9, 2011, and is between DYNATECH GROUP, LLC, owner(s) of the land described in the Deeds of Trust referenced below ("Owner"), Chase Bank ("Lender") and the SMALL BUSINESS ADMINISTRATION, an agency duly created under and by virtue of an Act of Congress, having its principal office in Washington, in the District of Columbia, and a Commercial Loan Servicing Center at 801 R Street, Suite 101, Fresno, California 93727 (hereinafter called "SBA").

SBA is the present holder and beneficiary of that/those certain Deed(s) of Trust, dated September 17, 2010, to secure a Note or Notes in the sum of \$611,000.00 ("SBA Deed(s) of Trust"). The SBA Deed(s) of Trust was/were recorded on October 11, 2010 as Instrument Number(s) 11050469, Salt Lake County Official Records.

Owner has also executed, or is about to execute, a Deed of Trust securing a Note in a sum not to exceed \$745,000.00 in favor of Lender ("Lender's Deed of Trust"). Lender's Deed of Trust shall be recorded concurrently herewith.

Lender has requested that the SBA Deed(s) of Trust be subordinated to the Lender's Deed of Trust. SBA is willing to subordinate the lien(s) of the SBA Deed(s) of Trust provided it retains its lien priority with regard to all other legal and equitable interests in the property.

In consideration of the mutual benefits to the parties and to induce Lender to make a loan to Owner, it is hereby agreed as follows:

- (1) Lender's Deed of Trust, and any renewals or extensions thereof, shall be a lien on the property prior to the lien of the SBA Deed of Trust.
- (2) Lender would not make its loan without this Subordination Agreement.

- (3) Except as expressly provided herein, this agreement shall not operate or be construed to alter the priority of the SBA Deed of Trust with regard to any legal or equitable interest in the property. Owner and Lender shall hold SBA harmless from any impairment of its lien (with regard to any third party) which is occasioned by this subordination.
- (4) All proceeds of Lender's loan shall be applied to satisfy debt secured by a lien(s) presently superior to the lien of the SBA Deed of Trust, plus customary closing costs. Any other use of proceeds not described herein shall void this Agreement.
- (5) This Subordination Agreement is void if not duly executed by Owner, Lender, SBA, the SBA Borrower(s) and all Guarantors of the SBA loan.
- Compliance with 504 Loan Program Requirements. Lender confirms that the note evidencing the Lender Loan, any lien instruments securing the Lender Loan, and all other documents executed in connection with the Lender Loan ("Lender's Loan Documents") (a) have no open-ended features and allow reasonable future advances only for the costs of collection the obligor is liable for under the Lender's Loan Documents, maintaining collateral, and/or protecting the lien(s) securing the Lender Loan, (b) are not cross-collateralized with any other financing now or hereafter to be provided by Lender, (c) have no early call features, (d) are not payable on demand unless the Lender Loan is in default, (e) have a term that at least equals, and do not require a balloon payment prior to, the term of the previous Third Party Lender Loan unless SBA has approved a shorter term, (f) have a reasonable interest rate that does not, and will not, exceed the maximum interest rate for a Third Party Loan as published by SBA and in effect as of the date of this Agreement, and (g) do not establish a preference in favor of Lender, as compared to CDC and SBA, related to making, servicing, or liquidating the Lender Loan (including but not limited to, with respect to repayment, collateral, guarantees, control, maintenance of a compensating balance, purchase of a certificate of deposit, or acceptance of a separate or companion loan) other than Lender's senior lien position(s) on the Collateral. Lender agrees that if Lender's Loan Documents or any provision therein does not comply with these requirements, then Lender waives its right to enforce any such non-complying document or provision unless Lender has obtained the prior written consent of CDC and/or SBA permitting such enforcement.
- (7) Subordination of Default Charges. "Default Charges" mean any prepayment penalties, fees, or charges incurred in prepaying the Lender Loan, in whole or in part, prior to the stated maturity; any late fees or charges due in connection with the Lender Loan; any escalated, increased, or default interest charged in excess of the rate of interest in Lender's note absent a default, event of default, or other delinquency; and any other default charges, penalties, or fees of any nature whatsoever due because of a default, event of default, or other delinquency in connection with the Lender Loan. Lender hereby subordinates the collection of any Default Charges to the collection by CDC and/or SBA of the 504 Loan and, to the extent that Lender's Loan Documents secure any Default Charges, Lender hereby subordinates such lien(s) to the lien(s) securing the 504

Loan.

- (8) Notice of Default Under the Lender Loan. If any default, event of default or delinquency, upon which Lender intends to take action, occurs under the Lender's Loan Documents, then Lender agrees to give CDC and SBA written notice of such default, event of default or delinquency and the opportunity to cure the default, event of default, or delinquency and bring the Lender Loan current or to purchase Lender's note, provided that the amount to bring the Lender Loan current or to purchase Lender's note will be net of all amounts attributable to Default Charges. Lender further agrees that if Lender receives from CDC or SBA any amounts attributable to Default Charges, then Lender will immediately remit such amounts to SBA. Notice hereunder must be given within thirty (30) days after the default, event of default or delinquency upon which Lender intends to take action and at least sixty (60) days prior to the date of any proposed sale of Collateral and Lender will not sell all or any portion of the Collateral without giving CDC and the SBA such notice. A default in the obligation secured by the Lender's Mortgage may be cured (including purchase of the property at foreclosure sale) by the SBA via cash, certified funds, or a United States Treasury check, at the option of the SBA. Notice under this Agreement shall be deemed to have been given when sent by certified or registered mail, return receipt requested, addressed, as the case may be, to Mountain West Small Business Finance (CDC) at 2595 E 3300 S, Salt Lake City, UT 84109 Attention: Servicing, and also to the SBA at 801 R Street, Suite 101, Fresno, California 93727.
- (9) <u>Collection and Liquidation</u>. In the event that either the Lender Loan or the 504 Loan is declared in default; Lender, CDC and SBA agree to cooperate in liquidating and/or selling the Collateral. Lender agrees (a) to accept cash, certified funds or a U.S. Treasury check(s) in connection with any purchase of Lender's note or any foreclosure or liquidation bid by CDC or SBA; (b) to provide CDC and SBA with the loan payment status, loan payment history, and an itemized payoff statement of the Lender Loan; (c) to provide CDC and SBA with copies of any appraisals, environmental investigations, or title examinations or searches of the Collateral conducted by or for Lender; and (d) to provide any other information about Borrower or the Lender Loan requested by CDC and/or SBA in writing.
- (10) No Implied Third Party Beneficiaries. Except to the extent stated in this Agreement, this Agreement does not modify or affect otherwise any other agreement that either party may have with third parties, including but not limited to, Borrower. This Agreement also does not grant any right, benefit, priority, or interest to any third parties, including but not limited to, Borrower.
- (11) Successors and Assigns. This Agreement shall inure to the benefit of and bind the respective parties to this Agreement and their respective heirs, successors and assigns, including any party acquiring the Lender Loan or Lender's Loan Documents by sale, assignment, or other transfer.
- (12) Federal Law. When SBA is the holder of the note evidencing the 504 Loan, this

Agreement and all documents evidencing or securing the 504 Loan will be construed in accordance with federal law. 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 of the 504 Loan 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 the 504 Loan.

(13) <u>Counterparts.</u> This Agreement may be executed in any number of counterparts, each of which will be deemed an original, and all of which together constitute one and the same instrument.

U.S. SMALL BUSINESS ADMINISTRATION BY Mountain West Small Business Finance, Its Attorney-In-Fact

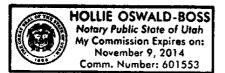
Kim Harper, Vice President

CORPORATE ACKNOWLEDGEMENT

STATE OF UTAH

SS.

County of Salt Lake)



SUBORDINATION AGREEMENT SIGNATURE PAGE CONTINUED

BANK		
	Chase Bank	
Date:	Ву:	
	Its:	
CORPORATE A	CKNOWLEDGEMENT	
STATE OF UTAH) : ss. County of Salt Lake)		
On the day of person	nally appeared before me	_who
Utah corporation and that the foregoing, atta- corporation by authority of a resolution of its	s board of directors, and the said	
acknowle	edged to me that the corporation executed the	same.
	NOTARY PUBLIC	

SUBORDINATION AGREEMENT SIGNATURE PAGE

The undersigned Obligors and Guarantors, consent to this transaction and unconditionally acknowledge their continuing legal responsibility as Obligors and Guarantors of the primary obligation of DYNATECH GROUP, LLC and agree to all terms set forth in this subordination agreement.

Dated: 8/29/11

By: Stove B. VanOrden Member

Steve P. VanOrden, Member

PARAMOUNT MACHINE, INC.

DYNATECH GROUP, I

Steve P. VanOrden, President

Steve P. VanOrden, Individually

SUBORDINATION AGREEMENT NOTARY PAGE

LIMITED LIABILTY ACKNOWLEDGEMENT

STATE OF UTAH)
county of SaHlake
On the 29 day of AWOST, 2011, personally appeared before me Steve P. VanOrder member of DYNATECH GROUP, LLC, that the foregoing, attached instrument was signed and acknowledged in behalf of said limited liability company by authority of its articles or organization and the said member acknowledged to me that said limited liability company executed the same.



NICOLE PERKINS
Natary Public State of Utah
My Commission Expires on:
November 10, 2012
Comm. Number: 576657

CORPORATE ACKNOWLEDGEMENT

STATE OF UTAH)

County of Sat Lake): ss.

On the 29 day of AWIST, 2011 personally appeared before me Steve P. VanOrden, who being by me duly sworn, did say that he is the President of PARAMOUNT MACHINE, INC. a Utah corporation and that the foregoing, attached instrument was signed in behalf of the corporation by authority of a resolution of its board of directors, and the said Steve P. VanOrden acknowledged to me that the corporation executed the same.

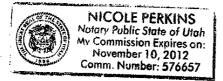
NICOLE PERKINS
Notary Public State of Utah
My Commission Expires on:
November 10, 2012
Comm-Number: 57.6657

NOTARÝ PUBLIC

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF UTAH)
:ss County of Salt Lake)

On the 29 day of Above, 2011, personally appeared before me Steve P. VanOrden, signer of the above instrument, who duly acknowledged to me that he executed the same.



(2)2011 bank_agreements_subordin_ut

SCHEDULE A

Order Number: 5-069240

LEGAL DESCRIPTION

Beginning at the intersection of the West line of Pioneer Road and the South line of proposed 66 foot wide road at a point North 0°08'10" West 1948.81 feet and South 89°52'33" West 19.00 feet from the South Quarter Corner of Section 9, Township 1 South, Range 1 West, Salt Lake Base and Meridian, and running thence South 0°08'10" East along the West line of Pioneer Road 300.00 feet; thence South 89°52'33" West 280.00 feet; thence North 0°08'10" West 300.00 feet to the South line of said proposed road; thence North 89°52'33" East 280.00 feet tot eh point of beginning.

Parcel No.: 15-09-300-052