



W2672804

When Recorded Return To:

Attn: Nicole McWilliams
Utah CDC
5333 South Adams Ave, Suite B
Ogden, Utah 84405

E# 2672804 PG 1 OF 8
ERNEST D. ROWLEY, WEBER COUNTY RECORDER
24-Jan-14 1224 PM FEE \$25.00 DEP SC
REC FOR: BACKMAN FPTP
ELECTRONICALLY RECORDED

Loan Name: Keep It Safe Storage, LLC
Loan No.: 4733305004

6-057334

space above line for recorder

12-091-0027

12-091-0090

SUBORDINATION AGREEMENT

THIS AGREEMENT is dated for reference January 22 2014, and is between Keep It Safe Storage, LLC, owner of the land described in the Deed of Trust referenced below ("Owner"), Cache Valley 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 93721 (hereinafter called "SBA").

SBA is the present holder and beneficiary of that certain Deed of Trust, dated August 17, 2011, to secure a Note in the sum of \$309,000.00 ("SBA Deed of Trust"). The SBA Deed of Trust was recorded on September 2, 2011 as Instrument Number 2540078, Weber 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 \$630,000.00, in favor of Lender ("Lender's Deed of Trust"). Lender's Deed of Trust shall be recorded concurrently herewith as Instrument Number 2672792 Weber County Official Records.

Lender has requested that the SBA Deed of Trust be subordinated to the Lender's Deed of Trust. SBA is willing to subordinate the lien of the SBA Deed 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. Additional cash out will be utilized for expansion of real property improvements.

(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.

(6) 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 each of the following:

Attn: Loan Servicing Department
801 R Street, Suite 101
Fresno, California 93721

Attn: Servicing
Utah Certified Development Company
5333 S Adams Ave, Suite B
Ogden, Utah 84405

(9) Collection and Liquidation. 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) Counterparts. 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.

(All signatures must be acknowledged)

Owner: Keep It Safe Storage, LLC

By: Nolan D. Hayward
Nolan D. Hayward, Manager

Lender: Cache Valley Bank

By: Clint Buys
Loan Officer
[please type or print name and title]

OWNER ACKNOWLEDGEMENT

STATE OF UTAH)
 §
COUNTY OF WEBER)

On this 22 day of JANUARY, 2014, personally appeared before me Nolan D. Hayward, who being by me duly sworn, did say that he is the manager of Keep It Safe Storage, LLC, and that said limited liability company executed the same with full authority.

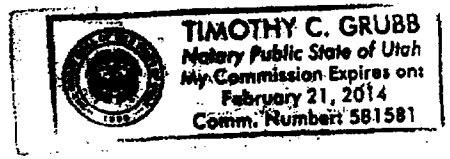
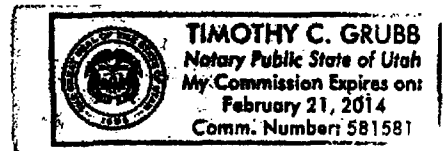
Timothy C. Grubb
NOTARY PUBLIC
Residing at: SLC

LENDER ACKNOWLEDGEMENT

STATE OF UTAH)
 §
COUNTY OF WEBER)

On this 22 day of January, 2014, personally appeared before me CLINT BUYS, who being by me duly sworn, did say that they are an authorized representative of Cache Valley Bank and that the foregoing instrument was signed in behalf of said Cache Valley Bank with full authority.

Timothy C. Grubb
NOTARY PUBLIC
Residing at: SLC



the United States

By:

Raymond A. Kiling
SBS/SBA



SBA ACKNOWLEDGEMENT

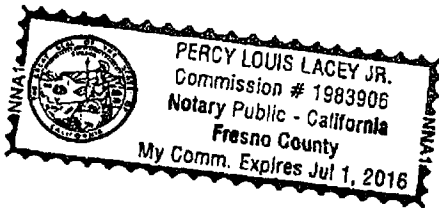
State of California)
County of Fresno)

On January 3, 2014 before me, Percy Louis Lacey Jr., a Notary Public, personally appeared Raymond A. Kiling, who proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Percy Louis Lacey Jr.*



The undersigned Guarantor(s)/Borrower(s) hereby consent to all terms above and acknowledge their liability for the above referenced SBA loan is in no manner diminished by this agreement.

Guarantors:

Hayward 159 East 300 South, LLC

By: [Signature]
Barbara Z. Hayward, Manager

GUARANTOR ACKNOWLEDGEMENTS

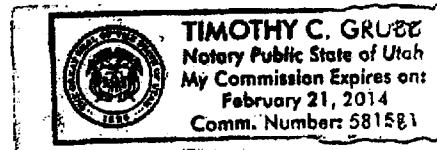
STATE OF UTAH)
 §
COUNTY OF WEBER)

On this 22 day of January, 2014, personally appeared before me Barbara Z. Hayward, who being by me duly sworn, did say that she is the manager of Hayward 159 East 300 South, LLC, and that said limited liability company executed the same with full authority.

[Signature]
NOTARY PUBLIC
Residing at: SLC

Hayward 163 East 300 South, LLC

By: [Signature]
Barbara Z. Hayward, Manager

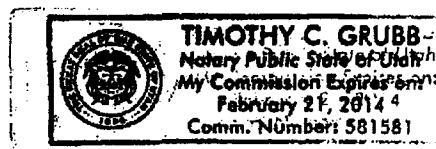



GUARANTOR ACKNOWLEDGEMENTS

STATE OF UTAH)
 §
COUNTY OF WEBER)

On this 22 day of January, 2014, personally appeared before me Barbara Z. Hayward, who being by me duly sworn, did say that she is the manager of Hayward 163 East 300 South, LLC, and that said limited liability company executed the same with full authority.

[Signature]
NOTARY PUBLIC
Residing at: _____





Barbara Z. Hayward, executing as trustee for
and on behalf of the Barbara Z. Hayward
Revocable Trust

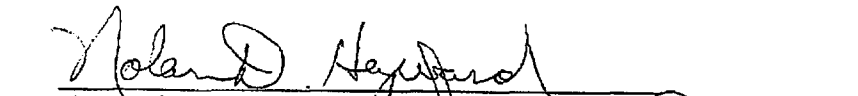
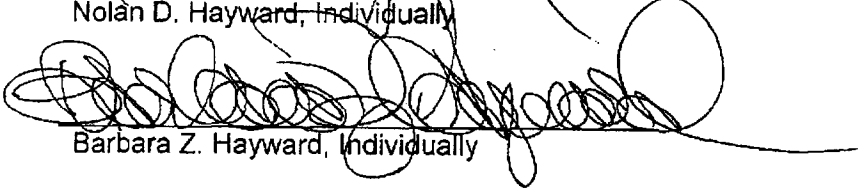
GUARANTOR ACKNOWLEDGEMENTS

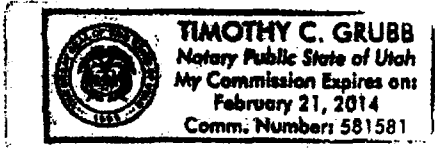
STATE OF UTAH)
 §
COUNTY OF WEBER)

On this 22 day of January, 2014, personally appeared before me Barbara Z. Hayward,
who being by me duly sworn, did say that she executed the same with full authority.



SLC



Nolan D. Hayward, Individually

Barbara Z. Hayward, Individually



GUARANTOR ACKNOWLEDGEMENTS

STATE OF UTAH)
 §
COUNTY OF WEBER)

On this 22 day of January, 2014, personally appeared before me Nolan D. Hayward
and Barbara Z. Hayward, who being by me duly sworn, did say that they executed the same with full
authority.



NOTARY PUBLIC
Residing at _____
SLC

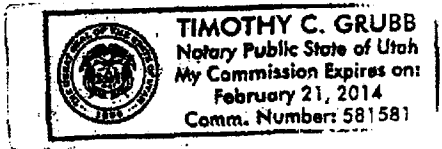


EXHIBIT A

Debtor and Trustor: Keep It Safe Storage, LLC

Secured Party and Beneficiary: Utah Certified Development Company and The U. S. Small Business Administration

Real Property Description

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PARCEL 1:

PART OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 6 NORTH, RANGE 1 WEST, SALT LAKE BASE MERIDIAN, U.S. SURVEY: BEGINNING AT A POINT 771.54 FEET NORTH AND 1130 FEET WEST OF THE SOUTHEAST CORNER OF SAID QUARTER SECTION; RUNNING THENCE NORTH 0° 50' 23" EAST 330.00 FEET; THENCE SOUTH 89° 09' 45" EAST 84.35 FEET TO AN EXISTING FENCE LINE; THENCE SOUTH 01° 04' 59" WEST 330.07 FEET; THENCE NORTH 89° 07' 07" WEST 82.95 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

PART OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 6 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY: BEGINNING AT A POINT 771.54 FEET NORTH AND 1130 FEET WEST OF THE SOUTHEAST CORNER OF SAID QUARTER SECTION; RUNNING THENCE NORTH 0° 50' 23" EAST (RECORD READS NORTH 0° 50' 23" WEST) 330 FEET; THENCE NORTH 89° 09' 45" WEST 172 FEET; THENCE SOUTH 00° 50' 23" WEST 330 FEET; THENCE SOUTH 89° 07' 07" EAST 172 FEET TO THE POINT OF BEGINNING, EXCEPTING THAT PORTION WITHIN THE STREET.

12-091-0027, 12-091-0090 *WR*

.....
The address of such property is: 189 West 7th Street, Ogden, UT 84404

The owner of such real property is:
Keep it Safe Storage, LLC