ENT 71397:2005 PG 1 of 3
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2005 Jul 01 11:12 am FEE 15.00 BY SW
RECORDED FOR BARTLETT TITLE INSURANCE AG

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Real Estate Lease Subordination Agreement

This Subordination Agreement is entered into by AJJ Corporation ("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 Sanh Ly and Huong T. Tran ("Lessor") by lease dated June 20, 2005 for a term of twenty years (the "Lease") certain real property (the "Leased Premises") known as 1601 West Center Street, Provo, Utah 84601, located in the County of Utah, 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. CDC 769 931 4010 UT, to Lessor in the amount of \$236,000.00, 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. <u>Subordination of Lease</u>. 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 \$236,000.00 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 Utah 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. This Agreement shall be binding upon and inure to the benefit of the personal representatives, successors and assigns of the parties hereto.

Dated June 20, 2005.

LESSEE:

AJJ CORPORATION

By: Sanh I v. President

STATE OF UTAH

) :ss.

COUNTY OF Utah

)

The foregoing instrument was acknowledged before me this June 20, 2005 by Sanh Ly, President, AJJ Corporation.

Notary Public

JANET H. BODILY

NOTARY PUBLIC • STATE OF UTAH

228 NORTH OREM BLVD.

OREM, UTAH 84057

COMM. EXPIRES 11-24-2007

Exhibit "A"

Property Description

The land referred to is located in Utah County, State of Utah, and is described as follows:

Commencing North 654,27 feet and East 1904.56 feet from the Southwest corner of Section 2, Township 7 South, Range 2 East, Salt Lake Base and Meridian; thence North 89°00'00" West 95.72 feet; thence North 0°8'10" East 149.87 feet; thence North 34°20'7" West 7.97 feet; thence North 1°0'0" East 47.11 feet; thence North 89°55'0" East 102.6 feet; thence South 1°0'0" West 205.4 feet to the beginning.

PARCEL 2:

Commencing North 813.54 feet and East 1803.93 feet from the Southwest corner of Section 2, Township 7 South, Range 2 East, Salt Lake Base and Meridian; thence North 34°20'07" West 52.1 feet; thence South 88°44'31" East 30.13 feet; thence South 1°0'0" West 42.37 feet to the beginning.