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5/1/2019 2:35:00 PM \$29.00
Book - 10776 Pg - 2971-2980
RASHELLE HOBBS
Recorder, Salt Lake County, UT
VANGUARD TITLE- UNION PARK
BY: eCASH, DEPUTY - EF 10 P.

Tax Serial Number:
16-28-304-020

RECORDATION REQUESTED BY:

WHEN RECORDED MAIL TO:
Meadows Bank
Small Business Lending Division
8912 Spanish Ridge Avenue, Suite 100
Las Vegas, NV 89148-1311

SEND TAX NOTICES TO:
EBS INVESTMENT CO., L.L.C.
3210 S HIGHLAND DR, SUITE A
SALT LAKE CITY, UT 84106

FOR RECORDER'S USE ONLY



NOTICE: THIS SUBORDINATION AGREEMENT - LEASE 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.

SUBORDINATION AGREEMENT - LEASE

THIS SUBORDINATION AGREEMENT - LEASE dated April 29, 2019, is made and executed among PALETTI CORPORATION ("Lessee"); EBS INVESTMENT CO., L.L.C. ("Borrower"); and Meadows Bank ("Lender").

SUBORDINATED LEASE. Lessee has executed a lease dated April 29, 2019 of the property described herein (the "Subordinated Lease"). The following information is the summary of the basic terms and conditions of the Subordinated Lease: **LEASE DATED APRIL 29, 2019 BETWEEN EBS INVESTMENT CO., L.L.C. AS LESSOR AND PALETTI CORPORATION AS LESSEE FOR A TERM OF 25 YEARS COMMENCING ON May 1, 2019 AND TERMINATING ON**

A handwritten signature in black ink, appearing to be 'J. J. J.', located in the bottom left corner of the page.

**SUBORDINATION AGREEMENT - LEASE
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May 1, 2044 WITH MONTHLY LEASE PAYMENTS IN THE AMOUNT EQUAL TO SERVICE THE DEBT ON THE SUBJECT LOCATION, INCLUDING UTILITIES, TAXES, INSURANCE AND REPAIRS. PAYABLE ON THE FIRST OF EACH MONTH DURING THE TERM THEREOF..

REAL PROPERTY DESCRIPTION. The Lease covers BUILDING AND LAND LOCATED AT 3210 S HIGHLAND DR, SALT LAKE CITY, UT 84106 of the following described real property located in SALT LAKE County, State of Utah:

See EXHIBIT "A" LEGAL DESCRIPTION, which is attached to this Subordination and made a part of this Subordination as if fully set forth herein.

The Real Property or its address is commonly known as 3210 S HIGHLAND DR, SALT LAKE CITY, UT 84106. The Real Property tax identification number is 16-28-304-020.

SUPERIOR INDEBTEDNESS. Lender has extended or has agreed to extend the following described financial accommodations to Borrower, secured by the Real Property (the "Superior Indebtedness"):

A LOAN IN THE PRINCIPAL AMOUNT OF \$554,000.00 AS EVIDENCED BY PROMISSORY NOTE DATED APRIL 29, 2019.

LENDER'S LIEN. The Superior Indebtedness is or will be secured by the Real Property and evidenced by a mortgage, deed of trust, or other lien instrument, dated April 29, 2019, from Borrower to Lender (the "Lender's Lien"). As a condition to the granting of the requested financial accommodations, Lender has required that the Lender's Lien be and remain superior to the Subordinated Lease.

REQUESTED FINANCIAL ACCOMMODATIONS. Lessee and Borrower each want Lender to provide financial accommodations to Borrower in the form of the Superior Indebtedness. Borrower and Lessee each represent and acknowledge to Lender that Lessee will benefit as a result of these financial accommodations from Lender to Borrower, and Lessee acknowledges receipt of valuable consideration for entering into this Subordination.

NOW THEREFORE THE PARTIES TO THIS SUBORDINATION HEREBY AGREE AS FOLLOWS:

SUBORDINATION. All of Lessee's right, title, and interest in and to the Subordinated Lease and the Real Property is and shall be subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is agreed that Lender's Lien shall be and remain, at all times, prior and superior to Lessee's interests in the Subordinated Lease and the Real Property. Lessee also subordinates to Lender's Lien all other Security Interests in the Real Property held by Lessee, whether now existing or hereafter acquired.

LESSEE'S REPRESENTATIONS AND WARRANTIES. Lessee hereby represents and warrants to Lender that Lessee has heretofore delivered to Lender a true, correct and complete copy of the Lease, which constitutes the entire agreement between the parties thereto and Lessee further acknowledges that the Lease is in full force and effect and that no default by Lessee or, to Lessee's knowledge, by other party under the terms and provisions of the Lease exists as of the date hereof.

LESSEE WAIVERS. Lessee waives any right to require Lender: (A) to make, extend, renew, or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (B) to make any presentment, protest, demand, or notice of any kind, including



BK 10776 PG 2972

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notice of any nonpayment of any secured by Lender's Lien, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (C) to resort for payment or to proceed directly or at once against any person, including Borrower; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

LENDER'S RIGHTS. Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Subordination. In particular, without limitation, Lender may, without notice of any kind to Lessee, (A) make one or more additional secured or unsecured loans to Borrower; (B) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part of it, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (D) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (E) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (F) apply such security and direct the order or manner of sale of the security, as Lender in its discretion may determine; and (G) transfer this Subordination to another party.

DEFAULT BY BORROWER. If Borrower becomes insolvent or bankrupt, this Subordination shall remain in full force and effect. In the event of a corporate reorganization or corporate arrangement of Borrower under the provisions of the Bankruptcy Code, as amended, this Subordination shall remain in full force and effect and the court having jurisdiction over the reorganization or arrangement is hereby authorized to preserve such priority and subordination provided under this Subordination in approving any such plan of reorganization or arrangement. Any default by Borrower under the terms of the Subordinated Lease also shall constitute an event of default under the terms of the Superior Indebtedness in favor of Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Subordination:

Amendments. This Subordination, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Subordination. No alteration of or amendment to this Subordination shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Subordination, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its

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interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Lessee also will pay any court costs, in addition to all other sums provided by law.

Authority. The person who signs this Subordination as or on behalf of Lessee represents and warrants that he or she has authority to execute this Subordination and to subordinate the Subordinated Indebtedness and the Lessee's security interests in Lessee's property, if any.

Caption Headings. Caption headings in this Subordination are for convenience purposes only and are not to be used to interpret or define the provisions of this Subordination.

Governing Law. With respect to procedural matters related to the perfection and enforcement of Lender's rights against the Property, this Subordination will be governed by federal law applicable to Lender and to the extent not preempted by federal law, the laws of the State of Utah. In all other respects, this Subordination will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Nevada without regard to its conflicts of law provisions. However, if there ever is a question about whether any provision of this Subordination is valid or enforceable, the provision that is questioned will be governed by whichever state or federal law would find the provision to be valid and enforceable. The loan transaction that is evidenced by the Note and this Subordination has been applied for, considered, approved and made, and all necessary loan documents have been accepted by Lender in the State of Nevada.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Subordination unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Subordination shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Subordination. No prior waiver by Lender, nor any course of dealing between Lender and Lessee, shall constitute a waiver of any of Lender's rights or of any of Lessee's obligations as to any future transactions. Whenever the consent of Lender is required under this Subordination, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors. This Subordination shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Subordination, and the covenants of Lessee herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

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DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Subordination. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Subordination shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means EBS INVESTMENT CO., L.L.C. and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Lender. The word "Lender" means Meadows Bank, its successors and assigns.

Note. The word "Note" means the Note dated April 29, 2019 and executed by EBS INVESTMENT CO., L.L.C. in the principal amount of \$554,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Subordination.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

EACH PARTY TO THIS SUBORDINATION ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS SUBORDINATION, AND EACH PARTY AGREES TO ITS TERMS. THIS SUBORDINATION IS DATED APRIL 29, 2019.



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BORROWER:

EBS INVESTMENT CO., L.L.C.

By: 

CAROL L. ELLIOTT, Manager of EBS INVESTMENT
CO., L.L.C.

By: 

JACQUELINE E. BROWN, Manager of EBS
INVESTMENT CO., L.L.C.

LESSEE:

PALETTI CORPORATION

By: 

JACQUELINE E. BROWN, President of PALETTI
CORPORATION

By: 

CAROL L. ELLIOTT, Secretary of PALETTI
CORPORATION

LENDER:

MEADOWS BANK

x 

Manuel Bueno, Vice President

**SUBORDINATION AGREEMENT - LEASE
(Continued)**

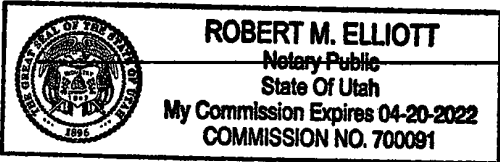
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Utah)
)
COUNTY OF Salt Lake) SS
)

On this 30 day of April, 2019, before me, the undersigned Notary Public, personally appeared **CAROL L. ELLIOTT, Manager of EBS INVESTMENT CO., L.L.C.** and **JACQUELINE E. BROWN, Manager of EBS INVESTMENT CO., L.L.C.**, and known to me to be members or designated agents of the limited liability company that executed the Subordination Agreement - Lease and acknowledged the Subordination to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Subordination and in fact executed the Subordination on behalf of the limited liability company.

[Signature]
Notary Public in and for the State of Utah

Residing at Herriman, Utah
My commission expires 4-20-2022



[Handwritten initials]

**SUBORDINATION AGREEMENT - LEASE
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CORPORATE ACKNOWLEDGMENT

STATE OF Utah)
)
COUNTY OF Salt Lake) SS
)

On this 30 day of April, 20 19, before me, the undersigned Notary Public, personally appeared **JACQUELINE E. BROWN, President of PALETTI CORPORATION** and **CAROL L. ELLIOTT, Secretary of PALETTI CORPORATION**, and known to me to be authorized agents of the corporation that executed the Subordination Agreement - Lease and acknowledged the Subordination to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Subordination and in fact executed the Subordination on behalf of the corporation.

By [Signature]
Notary Public In and for the State of Utah

Residing at Hurricane, Utah
My commission expires 4-20-2022

 **ROBERT M. ELLIOTT**
Notary Public
State Of Utah
My Commission Expires 04-20-2022
COMMISSION NO. 700091

CSB
See

EXHIBIT A

Legal Description

Order No.: 31644-KV

All of Parcel A, Shupe Subdivision, according to the Official Plat thereof, filed in the office of the Salt Lake County Recorder in Plat Book 2008P at Page 312. Contains 14,447 sq. ft. or .33 acres.

Together with and subject to the reciprocal easements and benefits as disclosed by that certain Reciprocal Easement Agreement recorded December 19, 2008 as Entry No. 10582915 in Book 9666 at Page 7145 and that certain affidavit recorded March 26, 2009, as Entry No. 10657377 in Book 9702 at page 1412 in the Office of the Salt Lake County Recorder, which reciprocal easement is described as follows:

Beginning at a point South 1109.97 feet and East 324.60 feet from the West corner of Section 28, Township 1 South, Range 1 East, Salt Lake Base and Meridian; and running thence North 89°20'00" East 35.75 feet; thence South 00°17'49" West 4.67 feet; thence Southeasterly 3.70 feet along the arc of a 2.57 foot radius curve to the left, chord bears South 41°55'38" East 3.39 feet; thence North 89°28'14" East 30.19 feet; thence South 00°40'25" East 15.09 feet; thence South 89°28'14" West 11.61 feet; thence South 00°51'46" East 31.46 feet; thence South 46°09'19" East 31.74 feet; thence South 46°09'19" East 1.04 feet; thence North 43°11'12" East 8.37 feet; thence North 88°20'54" East 0.74 feet; thence South 47°24'56" East 8.76 feet; thence North 42°59'21" East 8.96 feet; thence South 00°40'25" East 3.74 feet; thence North 89°19'35" East 12.59 feet; thence North 00°40'25" West 3.74 feet; thence South 48°15'51" East 9.47 feet; thence North 43°53'30" East 8.22 feet; thence North 89°10'56" East 0.71 feet; thence South 46°46'56" East 8.55 feet; thence North 44°03'13" East 8.44 feet; North 89°08'26" East 5.99 feet; thence South 42°57'38" East 2.66 feet; thence Easterly 10.76 feet along the arc of a 9.5 foot radius curve to the left, chord bears South 75°24'13" East 10.19 feet; thence North 72°09'13" East 1.62 feet; thence South 15°15'50" East 10.19 feet; thence South 75°42'04" West 3.790 feet; thence Southwesterly 4.64 feet along the arc of a 3.50 foot radius curve to the left, chord bears South 37°41'02" West 4.31 feet; thence South 00°20'01" East 13.96 feet; thence North 89°45'40" West 190.97 feet; thence North 00°02'24" East 39.35 feet; thence Northwesterly 12.58 feet along the arc of a 7.34 foot radius curve to the left, cord bears North 49°07'41" West 11.09 feet; thence North 00°00'08" West 10.02 feet; thence North 89°36'35" West 9.67 feet; thence North 00°18'15" West 76.27 feet; thence North 01°23'30" East 3.03 feet; thence North 88°40'39" East 17.99 feet; thence Northeasterly 0.61 feet along the arc of a 0.50 foot radius curve to the left, chord bears North 53°48'47" East 0.57 feet; thence North 18°56'56" East 4.90 feet to the point of beginning.

Tax Parcel No.: 16-28-304-020