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RASHELLE HOBBS
Recorder, Salt Lake County, UT
VANGUARD TITLE - OREM
BY: eCASH, DEPUTY - EF 11 P.

APN : 16-28-304-020

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Meadows Bank
SBA Dept. 1052 & 1053
8912 Spanish Ridge Ave #100
Las Vegas, NV 89148

APN : 16-28-304-020

R.P.T.T. \$0.00 Exemption

Space Above This Line for Recorder's Use



**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENT AGREEMENT**
Eligible Passive Company as Lessor
Operating Company as Lessee/Sublessor
Third Party as Sublessee

NOTICE: THIS LEASE ASSIGNMENT, SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Lease Assignment, Subordination, Nondisturbance and Attornment Agreement ("Agreement") is entered into as of the 30th day of April, 2019 by and among CMC STRINGS, LLC ("Sublessee"), PALETTI CORPORATION ("Lessee/Sublessor"), EBS INVESTMENT CO., L.L.C. ("Lessor") and Meadows Bank ("Bank").

Factual Background

A. Lessor owns certain real property pursuant to that Warranty Deed dated March 31, 2009, in connection with the sale of the property in the County of Salt Lake City State of UTAH more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Bank has made or agreed to make TWO loans to Lessor the first of which is in the principal amount of FIVE HUNDRED FIFTY FOUR THOUSAND AND 00/100 Dollars (\$554,000.00) and the second of which is in the principal amount of FIVE HUNDRED FIFTY FOUR THOUSAND AND 00/100 Dollars (\$554,000.00) (the "Loans") as provided in a loan agreements (the "Loan Agreements"). The Loans are or will be evidenced by two promissory notes (the "Notes") which is or will be secured by a FIRST and SECOND deed of trust encumbering the Property (the "Deed of Trusts")

with an assignment of rents. The Loan Agreement, the Notes, the Deed of Trusts, this Agreement and all other documents and instruments identified in the Loan Agreement as "Loan Documents" shall be collectively referred to herein as the "Loan Documents."

C. Sublessee (as the tenant) and Original Lessor (as the landlord) entered into that certain COMMERCIAL LEASE AGREEMENT dated OCTOBER 03, 2018 & OCTOBER 8, 2018 (the "Sublease") under which Original Lessor leased to Sublessee a portion of the Improvements located within the Property and more particularly described in the Sublease (the "Premises").

D. It is a requirement of the Loan to Lessor that Sublessee agree, among other things, to subordinate Sublessee's rights under the Sublease to the lien of the Loan Documents and to attorn to Bank on the terms and conditions of this Agreement. Sublessee is willing to agree to such subordination and attornment and other conditions, provided that Bank agrees to a nondisturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

1. Lease Assignment. Original Lessor hereby assigns, transfers, and conveys all of its right, title, and interest in and to the Sublease to Sublessor, and Sublessor does hereby assume all of the duties and obligations of Original Lessor under the Sublease. Sublessee agrees that the Sublease shall be subordinate to, and a sub-lease of, that certain Lease by and between Lessor, as landlord, and Sublessor, as tenant ("COMMERCIAL LEASE AGREEMENT").
2. Subordination. The Loan Documents and all supplements, amendments, modifications, renewals, replacements and extensions of and to them shall unconditionally be and remain at all times a lien on the Property prior and superior to the Sublease, to the leasehold estate created by it, and to all rights and privileges of Sublessee under it. The Sublease and leasehold estate, together with all rights and privileges of Sublessee under that Sublease, are hereby unconditionally made subordinate to the lien of the Loan Documents in favor of Bank. Sublessee consents to Lessor, Lessee/Sublessor, and Bank entering into the Deed of Trust and the other Loan Documents. Sublessee further declares, agrees and acknowledges that in making disbursements under the Loan Documents Bank has no obligation or duty to, nor has Bank represented that it will, see to the application of such proceeds by the person or persons to whom they are disbursed by Bank, and any application or use of such proceeds for purposes other than those provided for in the Loan Documents shall not defeat the subordination made in this Agreement, in whole or in part.
3. Definitions of "Transfer of the Property" and "Purchaser." As used herein, the term "Transfer of the Property" means any transfer of Lessor's or Lessee/Sublessor's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser," as used herein, means any transferee, including Bank, of the interest of Lessor or Lessee/Sublessor as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Bank, of such transferee.
4. Nondisturbance. The enforcement of the Deed of Trust shall not terminate the Sublease or disturb Sublessee in the possession and use of the Premises unless at the time of foreclosure Sublessee is in default under the Sublease or this Agreement, and Bank so notifies Sublessee in writing at or prior to the time of the foreclosure sale that the Sublease will be terminated by foreclosure because of such



default. The nondisturbance herein granted is subject to Section 5 below. This nondisturbance applies to any option to extend or renew the Sublease term which is set forth in the Sublease as of the date of this Agreement.

5. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Sublessee shall and hereby does attorn to Purchaser, including Bank if it should be the Purchaser, as the landlord under the Sublease, and Sublessee shall be bound to Purchaser under all of the terms, covenants and conditions of the Sublease for the balance of the Sublease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Sublease, all with the same force and effect as if Purchaser had been the original landlord under the Sublease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Sublease.
6. Notices of Default; Material Notices; Bank's Rights to Cure Default. Sublessee shall send a copy of any notice of default or similar statement with respect to the Sublease to Bank at the same time such notice or statement is sent to Lessee/Sublessor. In the event of any act or omission by Lessee/Sublessor which would give Sublessee the right to terminate the Sublease or to claim a partial or total eviction, Sublessee shall not exercise any such right or make any such claim until it has given Bank written notice of such act or omission and has given Bank either thirty (30) days to cure the default if the default is monetary or a reasonable time for Bank to cure the default if the default is nonmonetary. Nothing in this Agreement, however, shall be construed as a promise or undertaking by Bank to cure any default of Lessee/Sublessor or Lessor.
7. Limitation on Bank's Performance. Nothing in this Agreement shall be deemed or construed to be an agreement by Bank to perform any covenant of Lessee/Sublessor as landlord under the Sublease. Sublessee agrees that if Bank becomes Purchaser then, upon subsequent transfer of the Property by Bank to a new owner, Bank shall have no further liability under the Sublease after said transfer.
8. Limitation on Liability. No Purchaser who acquires title to the Property shall have any obligation or liability beyond its interest in the Property.
9. Sublessee's Covenants. Sublessee agrees that during the term of the Sublease, without Bank's prior written consent, Sublessee shall not:
 - (a) pay any rent or additional rent more than one month in advance to any landlord including Lessee/Sublessor or Lessor; or
 - (b) cancel, terminate or surrender the Sublease, except at the normal expiration of the Sublease term or as provided in Section 6 above; or
 - (c) enter into any amendment, modification or other agreement relating to the Sublease; or
 - (d) assign or sublet any portion of the Sublease or the Premises, except as expressly permitted in the Sublease.
10. Bank Not Obligated. Bank, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior landlord under the Sublease including Lessor; or (b) be subject to

any offset or defense not specifically provided for in the Sublease which Sublessee may have against any prior landlord under the Sublease; or (c) be bound by any prepayment by Sublessee of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Sublease unless the amendment or modification shall have been approved in writing by Bank.

11. Sublessee's Estoppel Certificate.

- (a) True and Complete Sublease. Sublessee represents and warrants to Bank that Exhibit B accurately identifies the Sublease and all amendments, supplements, side letters and other agreements and memoranda pertaining to the Sublease, the leasehold and/or the Premises.
- (b) Sublessee's Option Rights. Sublessee has no right or option of any nature whatsoever, whether arising out of the Sublease or otherwise, to purchase the Premises or the Property, or any interest or portion in or of either of them, to expand into other space in the Improvements or to extend or renew the term of the Sublease, except as described in the attached Exhibit C.
- (c) No Default. As of the date of this Agreement, Sublessee represents and warrants that to the best of Sublessee's knowledge there exist no events of default or events that with notice or the passage of time or both would be events of default under the Sublease on either the Sublessee's part or the Lessee/Sublessor's, nor is there any right of offset against any of Sublessee's obligations under the Sublease, except as described in the attached Exhibit D. Sublessee represents and warrants that the Sublease is in full force and effect as of the date of this Agreement.
- (d) Hazardous Substances. Sublessee represents and warrants that it has not used, generated, released, discharged, stored or disposed of any Hazardous Substances on, under, in or about the Property other than Hazardous Substances used in the ordinary and commercially reasonable course of Sublessee's business in compliance with all applicable laws. Except for such legal and commercially reasonable use by Sublessee, Sublessee has no actual knowledge that any Hazardous Substance is present or has been used, generated, released, discharged, stored or disposed of by any party on, under, in or about the Property. As used herein "Hazardous Substance" means any substance, material or waste (including petroleum and petroleum products), which is designated, classified or regulated as being "toxic" or "hazardous" or a "pollutant" or which is similarly designated, classified or regulated under any federal, state or local law, regulation or ordinance.

12. Integration; Etc. This Agreement integrates all of the terms and conditions of the parties' agreement regarding the subordination of the Sublease to the Loan Documents, attornment, nondisturbance and the other matters contained herein. This Agreement supersedes and cancels all oral negotiations and prior and other writings with respect to (a) such subordination (only to such extent, however, as would affect the priority between the Sublease and the Loan Documents), including any provisions of the Sublease which provide for the subordination of the Sublease to a deed of trust or to a mortgage and (b) such attornment, non-disturbance and other matters contained herein. If there is any conflict between the terms, conditions and provisions of this Agreement and those of any other agreement or instrument, including the Sublease, the terms, conditions and provisions of this Agreement shall prevail. This Agreement may not be modified or amended except by a written agreement signed by the parties or their respective successors in interest. This Agreement may be executed in counterparts, each of which is an original but all of which shall constitute one and the same instrument.

13. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section. Service of any notice on any one Sublessee, any one Lessee/Sublessor, and any one Lessor shall be effective service on Sublessee, Lessee/Sublessor and Lessor for all purposes.

To Bank: Meadows Bank
SBA Dept 1052 & 1053
8912 Spanish Ridge Ave., Suite 100
Las Vegas, NV 89148

To Lessor: EBS INVESTMENT CO., L.L.C.
3210 S Highland Dr, Suite A
Salt Lake City, UT 84106

To Lessee/Sublessor: PALETTI CORPORATION
3210 S Highland Dr, Suite A
Salt Lake City, UT 84106

To Sublessee: CMC STRINGS, LLC
3210 S Highland Dr, Suite B
Salt Lake City, UT 84106

14. Attorneys' Fees. If any lawsuit, judicial reference or arbitration is commenced which arises out of or relates to this Agreement, the prevailing party shall be entitled to recover from each other party such sums as the court, referee or arbitrator may adjudge to be reasonable attorneys' fees, including the costs for any legal services by in-house counsel, in addition to costs and expenses otherwise allowed by law.

15. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement satisfies any condition or requirement in the Sublease relating to the granting of a nondisturbance agreement by Bank. As used herein, the word "include(s)" means "include(s) without limitation," and the word "including" means "including but not limited to." Bank, at its sole discretion, may but shall not be obligated to record this Agreement.

(a) Arbitration; Judicial Reference. Bank and Lessor have agreed in the Loan Agreement and Lessee/Sublessor has agreed in the Guaranty that any dispute shall be resolved by arbitration or judicial reference. Therefore any controversy or claim between or among the parties hereto (including Sublessee) which arises out of or relates to this Agreement, including any claim based on or arising from an alleged tort, shall also be determined by arbitration.

(b) Mandatory Arbitration. After the Bank's Deed of Trust has been released, fully reconveyed or extinguished, any controversy or claim between or among the parties, including those arising out of or relating to this Agreement or any claim based on or arising from an alleged tort, shall at the request of any party be determined by arbitration. The arbitration shall be conducted in accordance with the

United States Arbitration Act (Title 9, U.S. Code), notwithstanding any choice of law provision in this Agreement, and under the Commercial Rules of the AAA. The arbitrator(s) shall give effect to statutes of limitation in determining any claim. Any controversy concerning whether an issue is arbitrable shall be determined by the arbitrator(s). Judgment upon the arbitration award may be entered in any court having jurisdiction. The institution and maintenance of an action for judicial relief or pursuit of a provisional or ancillary remedy shall not constitute a waiver of the right of any party, including the plaintiff, to submit the controversy or claim to arbitration if any other party contests such action for judicial relief.

(c) Real Property Collateral. Notwithstanding the provisions of Subsection (b), no controversy or claim shall be submitted to arbitration without the consent of all parties if, at the time of the proposed submission, any obligation of Lessor to Bank or any obligation of Guarantor to Bank is secured by real property collateral. If all parties do not consent to submission of such a controversy or claim to arbitration, the controversy or claim shall be determined by judicial reference as provided in Subsection (a).

(d) Provisional Remedies, Self-Help and Foreclosure. No provision of this Section shall limit the right of any party to this Agreement to exercise self-help remedies such as setoff, foreclosure against or sale of any real or personal property collateral or security, or to obtain provisional or ancillary remedies from a court of competent jurisdiction before, after, or during the pendency of any arbitration or other proceeding. The exercise of a remedy does not waive the right of a party to resort to arbitration or reference. At Bank's option, foreclosure under a deed of trust or mortgage may be accomplished either by exercise of power of sale under the deed of trust or mortgage or by judicial foreclosure.

NOTICE: THIS AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR SUBLEASE TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR PURPOSES OTHER THAN IMPROVEMENT OF THE PROPERTY.



IN WITNESS WHEREOF, the undersigned have executed this SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT as of the day and year first above written.

Lessor:
EBS INVESTMENT CO., L.L.C.

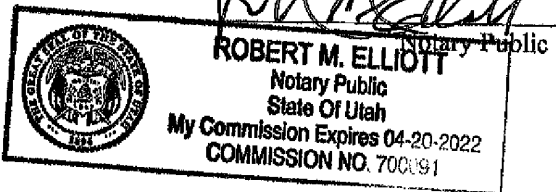
By: Jacqueline E. Brown
Jacqueline E. Brown, Manager

By: Carol L. Elliott
Carol L. Elliott, Manager

STATE OF Utah)
COUNTY OF Salt Lake) ss.

This instrument was acknowledged before me on 4-30-2019, by Jacqueline E. Brown & Carol L. Elliott of EBS Investment Co. LLC

My commission expires:
4-20-2022



Lessee/Sublessor:
PALETTI CORPORATION

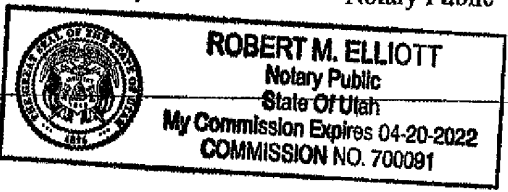
By: Jacqueline E. Brown
Jacqueline E. Brown, President

By: Carol L. Elliott
Carol L. Elliott, Secretary

STATE OF Utah)
COUNTY OF Salt Lake) ss.

This instrument was acknowledged before me on 4-30-2019, by Jacqueline E. Brown & Carol L. Elliott of Paletti Corporation

My commission expires:
4-20-2022



Sublessee:
CMC STRINGS, LLC

By: *Qi Cao*
Qi Cao, Manager

By: *Michael Murray*
Michael Murray, Manager

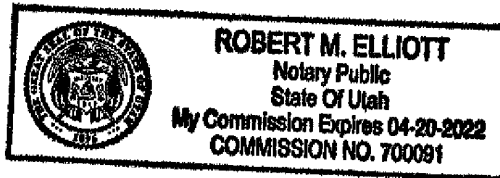
STATE OF *Utah*)
COUNTY OF *Salt Lake*) ss.

This instrument was acknowledged before me on *April 30, 2019*, by
Qi Cao & Michael Murray, Managers of *CMC Strings, LLC*

My commission expires:

4-20-2022

[Signature]
Notary Public



CS
Jab

**EXHIBIT A
PROPERTY DESCRIPTION**

LEGAL DESCRIPTION OF REAL PROPERTY

The Property is legally described as follows:

SEE ATTACHED LEGAL DESCRIPTION

STREET ADDRESS OF IMPROVEMENTS

The Improvements located within the Property are commonly known as: 3210 S Highland Dr
Salt Lake City, UT 84106

EXHIBIT B

SUBLEASE – CMC STRINGS, LLC (Tenant) dated October 3, 2018 and October 8, 2018

LEASE ATTACHED

EXHIBIT C

**LIST OF PURCHASE, EXPANSION,
FIRST REFUSAL, EXTENSION
AND RENEWAL OPTIONS**

LEASE ATTACHED

EXHIBIT C TO SUBORDINATION, NONDISTURBANCE AND ATTORNEYMENT AGREEMENT



EXHIBIT D
LIST ANY EXISTING DEFAULTS
OR OFFSETS UNDER SUBLEASE

LEASE ATTACHED

EXHIBIT E
MODIFIED SUBLEASE TERMS

LEASE ATTACHED

EXHIBIT E TO SUBORDINATION, NONDISTURBANCE AND ATTORNEYMENT AGREEMENT



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 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, chord 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