

WHEN RECORDED RETURN TO:
Mountain West Small Business Finance
2595 East 3300 South
Salt Lake City, Utah 84109

Entry 2009001250
Book 1127 Page 788-790 \$15.00
06-FEB-09 02:44
RANDY SIMMONS
RECORDER, UINTAH COUNTY, UTAH
ADVANCED TITLE CO INC
71 N 100 W VERNAL, UT 84078
Rec By: SHEENA MC DONALD , DEPUTY

17731

Real Estate Lease Subordination Agreement

This Subordination Agreement is entered into by JOANN HANCOCK REAL ESTATE, INC. ("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 BEAMER, LC ("Lessor") by lease dated January 30, 2009 for a term of twenty years (the "Lease") certain real property (the "Leased Premises") known as 1293 West, Highway 40, Vernal, UT 84078, located in the County of Uintah, 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. 34773260-01, to Lessor in the amount of \$371,000.00, 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. Subordination of Lease. 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 \$371,000.00 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 Uintah 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 January 30, 2009.

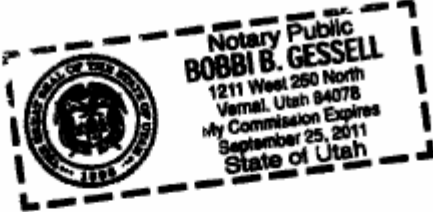
LESSEE:

JOANN HANCOCK REAL ESTATE, INC.

By: *JoAnn Hancock*
JoAnn Hancock, President

STATE OF UTAH)
)
COUNTY OF Uintah) :ss.
)

The foregoing instrument was acknowledged before me this ^{Feb 3 2009} ~~January 30, 2009~~ by JoAnn Hancock, President, JOANN HANCOCK REAL ESTATE, INC.



Bobbi B Geszell
Notary Public

EXHIBIT "A"

05-060-0066 NW NW

Beginning at a point which is located South 65°00'05" West 238.31 feet from the Northeast corner of the Northwest quarter Northwest quarter of Section 27, Township 4 South, Range 21 East, Salt Lake Base and Meridian; thence South 50°17'54" East 94.50 feet; thence South 39°42'06" West 54.00 feet; thence North 50°17'54" West 94.50 feet; thence North 39°42'06" East 54.00 feet to the point of beginning.

05-060-0072 NW NW

An undivided 70% interest

Beginning at a point which is located South 89°48'42" West 206.24 feet from the Northeast corner Northwest quarter Northwest quarter Section 27, Township 4 South, Range 21 East, Salt Lake Base and Meridian; thence South 46°03'34" East 93.68 feet; thence South 05°48'47" East 80.30 feet to the point beginning of a curve to the right having an arc length 31.60 feet, a radius of 20.00 feet, and a delta angle of 90°32'15", chord bears South 5°34'03" East 28.42 feet; thence South 39°42'06" West 74.00 feet; thence North 50°17'54" West 182.54 feet; thence North 43°56'13" East 157.62 feet to the point of beginning.

EXCLUDING the following parcel:

Beginning at a point which is located South 68°47'11" East 209.51 feet from the Northeast corner of the Northwest quarter Northwest quarter of Section 27, Township 4 South, Range 21 East, Salt Lake Base and Meridian; thence South 50°17'54" East 47.00 feet; thence South 39°42'06" West 33.00 feet; thence South 50°17'54" East 47.50 feet; thence South 39°42'06" West 54.00 feet; thence North 50°17'54" West 94.50 feet; thence North 39°42'06" East 87.00 feet to the point of beginning.