

RECORDING REQUESTED BY,
AND AFTER RECORDING RETURN TO:

Lamont R. Richardson
Parr Brown Gee & Loveless

185 South State Street Suite 800
Salt Lake City, Utah 84111
Tax Parcel Nos: 51-511-001
51-511-002

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT ("*Agreement*") is entered into as of February __, 2014 (the "*Effective Date*"), by and between **THE BANCORP BANK**, a Delaware state-chartered bank (together with any other holder of the Loan (defined below) and their respective successors and assigns, the "*Mortgagee*") and **TODD PEDERSEN**, an individual ("*Pedersen*"), with reference to the following facts:

A. KC Gardner Riverwoods 2, L.C., a Utah limited liability company ("*Gardner*"), whose address is 90 South 400 West, Suite 360, Salt Lake City, Utah 84101, owns fee simple title to the real property described in Exhibit "A" attached hereto (the "*Property*").

B. Mortgagee has made or intends to make a loan to Gardner (the "*Loan*").

C. To secure the Loan, Gardner has or will encumber the Property by entering into a mortgage or deed of trust in favor of Mortgagee (as amended, increased, renewed, extended, spread, consolidated, severed, restated, or otherwise changed from time to time, the "*Mortgage*") to be recorded in land records.

D. Pursuant to that certain ROFO Agreement, dated February 1, 2013, between Gardner and Pedersen (as amended, the "*ROFO*"), Gardner granted to Pedersen a right of first refusal to purchase the Property on the terms set forth in the ROFO.

E. Pedersen and Mortgagee desire to agree upon the relative priorities of their interests in the Property and their rights and obligations if certain events occur.

NOW, THEREFORE, for good and sufficient consideration, Pedersen and Mortgagee agree:

1. Subordination. Pedersen does hereby covenant and agree that the ROFO with all rights, options (including options to acquire or purchase all or any part of the Property), liens and charges created thereby, is and shall continue to be subject and subordinate in all respects to the

Mortgage and to any renewals, modifications, consolidations, replacements and extensions thereof and to all advancements made thereunder.

2. Nondisturbance, Recognition and Attornment. Upon a foreclosure of the Mortgage, delivery of a deed in lieu of a Mortgage or other enforcement action taken with respect to the Mortgage, the ROFO shall not be terminated thereby and shall continue to apply to a sale of the Property after such foreclosure, delivery of deed in lieu of foreclosure, or such other enforcement action on the terms set forth in the ROFO. The rights granted to Pedersen shall not apply to the foreclosure, delivery of a deed in lieu of foreclosure or similar enforcement action taken with respect to the Mortgage by Lender, its assignees or designees, or the first subsequent sale after such action by Lender, its assignees or designees.

3. Miscellaneous.

a. Successors and Assigns. This Agreement shall bind and benefit the parties, their successors and assigns.

b. Entire Agreement. This Agreement constitutes the entire agreement between Mortgagee and Pedersen regarding the subordination of the ROFO to the Mortgage and the rights and obligations of Pedersen and Mortgagee as to the subject matter of this Agreement.

c. Interpretation; Governing Law. The interpretation, validity and enforcement of this Agreement shall be governed by and construed under the internal laws of the State in which the Leased Premises are located, excluding such State's principles of conflict of laws.

d. Amendments. This Agreement may be amended, discharged or terminated, or any of its provisions waived, only by a written instrument executed by the party to be charged.

e. Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Mortgagee and Pedersen have caused this Agreement to be executed as of the date first above written.

MORTGAGEE:

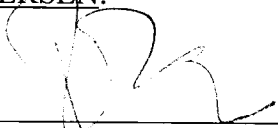
THE BANCORP BANK,
a Delaware state-chartered bank

By: _____

Name:

Title:

PEDERSEN:




TODD PEDERSEN, an individual


IN WITNESS WHEREOF, the Mortgagee and Pedersen have caused this Agreement to be executed as of the date first above written.

MORTGAGEE:

THE BANCORP BANK,
a Delaware state-chartered bank

By: 
Name: *Ron Wexler*
Title:

PEDERSEN:


TODD PEDERSEN, an individual

MORTGAGEE'S ACKNOWLEDGMENT

STATE OF New York)
) ss.
COUNTY OF New York)

On the 19th day of March in the year 2014 before me, the undersigned, a Notary Public in and for said state, personally appeared Ron Welter, proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

JAD

Signature of Notary Public

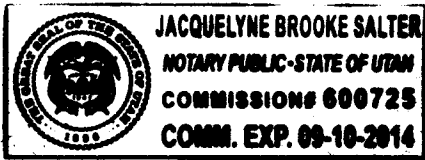
JASON A. DICKENS
Notary Public, State of New York
No. 01DI6078811
Qualified in New York County
Commission Expires Sept. 20, 2014

PEDERSEN'S ACKNOWLEDGMENT

STATE OF Utah)
) ss.
COUNTY OF Utah)

On the 13 day of March in the year 2014 before me, the undersigned, a Notary Public in and for said state, personally appeared Todd Pedersen, proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Jacquelyne Brooke Salter
Signature of Notary Public



LIST OF EXHIBITS

If any exhibit is not attached hereto at the time of execution of this Agreement, it may thereafter be attached by written agreement of the parties, evidenced by initialing said exhibit.

Exhibit "A" - Legal Description of the Land

Exhibit A

All of Lots 1 and 2, Phase VII Riverwoods Research and Business Park, according to the official plat thereof, filed on October 1, 2008, as Entry No. 107880:2008 in the Official Records of the Utah County Recorder.