

WHEN RECORDED, RETURN TO:
ZB, N.A. dba Zions First National Bank
2460 South 3270 West
West Valley City, Utah 84119
ATTN: ELO-SLC Collateral

D 25080 08-484-0001

SUBORDINATION AGREEMENT

This Subordination Agreement (the "Agreement") is made and executed as of the 5th day of June, 2018 by and between ZB, N.A. dba Zions First National Bank, together with its successors and assigns ("Lender") Sunset Equestrial Center LLC ("Tenant"), and Clearwater Investment Group, LLC ("Landlord").

RECITALS

A. Tenant has executed and entered into a Lease Agreement dated May 20, 2012, (together with any and all amendments, modifications and extensions, the "Lease"), whereby Tenant has agreed to lease from Landlord, the property described in the Lease and more particularly described in Exhibit A attached hereto and incorporated herein by this reference, together with the improvements now or hereafter located thereon (the "Property") which Property is located in Davis County, State of Utah.

B. On the condition that the Lease and all of Tenant's rights in the Property (the "Lease Rights") be subordinated as provided below, Lender has agreed to make a loan(s) under a U.S. Small Business Administration loan program (the "Loan") to Landlord or Tenant or both, ("Borrower") in the principal amount of \$400,000.00. In connection with the Loan, Borrower has or will be executing a Promissory Note, (the "Note"), an Assignment of Rents (the "Assignment of Rents"), Business Loan Agreement (the "Loan Agreement"), and other documents required by Lender to evidence and/or secure Borrower's obligations under the Loan (collectively the "Loan Documents").

AGREEMENT

In exchange for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Lender, Landlord, and Tenant agree as follows:

1. Subordination to Loan Documents. Notwithstanding anything in the Lease to the contrary, the Lease and Lease Rights are hereby made subject, subordinate, inferior, and junior to the Loan Documents and the liens created by the Loan Documents, and to all sums advanced on the security for the Loan Documents, including all sums advanced or costs incurred in connection with the Loan Documents or the Loan, and including all renewals, modifications, consolidations, replacements, and extensions of the Loan and any of the Loan Documents, and any future lien or liens affecting the Property held by or made for the benefit of Lender. The Lease and Lease Rights are hereby subordinated to the Loan Documents and the liens created by the Loan Documents, the same and as fully as if the Loan Documents had been executed and delivered, and recorded, where applicable, prior to execution, delivery, and recording of the Lease.

2. Amendment to Lease. Notwithstanding anything set forth in the Lease, Landlord and Tenant agree that the term of the Lease, including any options to renew shall extend through at least the term of the Loan. Landlord and Tenant further agree that the Lease payments shall not exceed the amount necessary for Landlord to make the Loan payment to Lender plus an additional amount to cover expenses of holding the Property, such as maintenance, insurance and property taxes.

3. Unlawful Use, Medical Marijuana, Controlled Substances and Prohibited Activities. Tenant shall not use or occupy or permit the use or occupancy of the Property in any manner that would be a violation of federal, state or local law or regulation, regardless of whether such use or occupancy is lawful under any conflicting law, including without limitation any law relating to the use, sale, possession, cultivation manufacture, distribution or marketing of any controlled substances or other contraband or any law relating to the medicinal use or distribution of marijuana.

4. Environmental Compliance. Tenant shall comply in all respects with any and all environmental laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on the Property any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authority. Tenant shall cause that any hazardous materials including diesel and waste generated by Tenant's business shall be properly stored, maintained, handled and used in accordance with local, state, and federal rules and regulations.

5. Document Imaging. Lender shall be entitled, in its sole discretion, to image or make copies of all or any selection of this Agreement and Lender may destroy or archive the paper originals. The parties hereto (i) waive any right to insist or require that Lender produce paper original of this Agreement, (ii) agree that such images shall be accorded the same force and effect as the paper originals, (iii) agree that Lender is entitled to use such images in lieu of destroyed or archived originals for any purpose, including as admissible evidence in any demand, presentment or other proceedings, and (iv) further agree that any executed facsimile (faxed), scanned, or other imaged copy of this document shall be deemed to be of the same force and effect as the original manually executed documents.

6. Acknowledgement of Assignment of Rents. Tenant agrees and acknowledges that it has notice, and notwithstanding anything to the contrary in the Lease hereby consents, that the Lease, the Lease Rights, the rents, and all other sums due under the Lease have been assigned or are to be assigned to Lender. Specifically, but without limitation, Tenant consents to the Assignment of Rents executed by Landlord in favor of Lender. In the event that Lender notifies Tenant of a default under any of the Loan Documents and demands that Tenant pay its rent and all other sums due under the Lease to Lender, Tenant shall honor such demand and pay its rent and all other sums due under the Lease directly to Lender or as otherwise required pursuant to such notice.

7. Notices. All notices shall be in writing and shall be deemed to have been sufficiently given or served when personally delivered or when deposited in the United States mail, by registered or certified mail, addressed as follows:

Lender: ZB, N.A. dba Zions First National Bank
33 South Main Street
Kaysville, Utah 84037

Tenant: Sunset Equestrian Center LLC
820 Mare Circle
Kaysville, Utah 84037

Landlord: Clearwater Investment Group, LLC
820 Mare Circle
Kaysville, Utah 84037

Such addresses may be changed by notice to the other party given in the same manner provided in this Section.

8. Attorneys' Fees. Upon the occurrence of a default under this Agreement, Lender may employ an attorney or attorneys to protect Lender's rights under this Agreement, and Tenant shall pay Lender reasonable attorneys' fees and costs actually incurred by Lender, whether or not action is actually commenced against Tenant by reason of such breach. Tenant shall also pay to Lender any attorneys' fees and costs incurred by Lender with respect to any insolvency or bankruptcy proceeding or other action involving Tenant or any guarantor as a debtor.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of where the Property is located.

10. Amendments. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement 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.

11. Successors and Assigns. This Agreement is and shall be binding upon and shall inure to the benefit of Lender and its respective successors and assigns. If there is any inconsistency between the provisions of this Agreement and the provisions of the Lease, the provisions of this Agreement shall prevail and govern the Lease.

EXECUTED as of the day and year first above written.

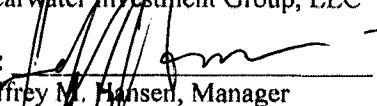
LENDER

ZB, N.A. dba Zions First National Bank

By: 
Ann Shumway, Loan Officer

LANDLORD

Clearwater Investment Group, LLC

By: 
Jeffrey M. Hansen, Manager

TENANT

Sunset Equestrian Center LLC

By: 
Jeffrey M. Hansen, Member

By: 
Suzanne Hansen, Member

Exhibit A

ALL OF PARCEL A, KAYSVILLE SUNSET EQUESTRIAN ESTATES PLAT 8 SECOND AMENDMENT, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE OFFICE OF THE DAVIS COUNTY RECORDER.

PARCEL NUMBER 08-484-0001