

Subordination Agreement Page 1 of 11
Russell Shirts Washington County Recorder
03/15/2016 08:40:12 AM Fee \$30.00 By
SOUTHERN UTAH TITLE

When recorded mail deed to:
State Bank of Southern Utah
720 W State Street
Hurricane, Utah 84737

Space Above This Line for Recorder's Use

Tax I.D. No. SG-5-3-17-233-EDM

Subordination, Non-Disturbance and Attornment Agreement

This Subordination, Non-Disturbance and Attornment Agreement ("Agreement") is entered into this **18th** day of **February, 2016**, by and between **State Bank of Southern Utah** ("Lender") a national banking association having an address of 720 W State Street, Hurricane, Utah 84737, and **Czarnowski Display Service, Inc., an Illinois corporation** ("Tenant") whose address is 4041 S River Road, St. George, Utah 84790, and **IM4 LLC, a Utah limited liability company** ("Landlord") whose address is 585 N Dusk, St. George, Utah 84770, with reference to and based upon the following

Recitals:

1. Tenant entered into a Lease Agreement dated 10th day of October, 2014 ("the Lease") between themselves as Lessee and Lot Fourteen, LC, a Utah limited liability company as Lessors for the parcel of located in Washington County, State of Utah and more particularly described in **Exhibit "A" - Legal Description** ("the Property"), and hereby attached to and incorporated by this reference.
2. Lender has lent or has committed to lend the sum of Loan \$3,556,800.00 to the Landlord to be secured by a Deed of Trust ("Security Instrument") recorded concurrently herewith, (or recorded **FEBRUARY 19, 2016** as Entry No. **20160005519**, Official Washington county Records), affecting the Property.
3. Lender and Tenant have agreed to execute this Agreement to set forth the rights and obligations of each party in connection with the recorded Security Instrument.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth here in and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Tenant agree to the following:

A. **Subordination:** The Lease is and shall be subject, subordinate and inferior to the Security Instrument insofar as it affects the Property and to all renewals, modifications, consolidations, replacements, and extensions thereof. Notwithstanding the foregoing, Tenant's right,

title and interest in and to the Improvements and Trade Fixtures shall not be subordinate to the Security Interest, and shall be superior to the Security Interest.

B. **Attornment:** If, in the exercise of any rights under the Security Instrument, the Lender or any other person becomes the owner of the Property, Tenant shall attorn, and recognize Lender or such purchaser as the Landlord under the Lease. In such event Lender or such purchaser shall have all of the rights of Landlord under the Lease, including but not limited to the right to receive and collect rent, and shall assume all obligations of the Landlord under the Lease. Lender agrees that it shall not join Tenant in any foreclosure proceedings but will give Tenant notice of the commencement of any foreclosure proceedings. Notwithstanding anything to the contrary herein, in no event shall the Lender or such purchaser be: (a) liable for any act or omission of any previous Landlord; (b) subject to any offset or counterclaim which the Tenant might be entitled to assert against any previous Landlord; (c) bound by any payment of rent or additional rent made by Tenant to any previous Landlord for more than one (1) month in advance; or (d) bound by any material amendment or modification of the Lease hereafter made without the consent of the Lender

C. **Assignment:** Tenant acknowledges the Landlord's rights and obligations under the Lease are subject to the terms and conditions of an assignment of rents under the Deed of Trust. Tenant agrees that, upon Tenant's receipt of written notice from Lender that Lender has exercised its rights pursuant to the assignment to collect and receive rents, Tenant shall pay all rent and additional rent to the Lender at the address set forth in the notice.

D. **Non-Disturbance:** So long as tenant is not in default beyond any notice and cure period provided in the Lease in the payment of rent or additional rent, or in the performance of any other terms, covenants and conditions of the Lease on the Tenants part to be performed, Tenant's possession of the Property and Tenant's rights and privileges under the Lease, including any extensions or renewals thereof, whether pursuant to options granted in the Lease or otherwise, shall not be diminished or interfered with by the Lender, and Tenant's occupancy of the Property shall not be disturbed by the Lender for any reason whatsoever during the term of the Lease or any extension or renewal thereof. Lender acknowledges that such rights of the Tenant under the Lease include, without limitation, Tenant's rights regarding (A) the application of insurance proceeds in the event of damage to or destruction of the improvements and (b) the allocation and application of any condemnation award in the event of a partial or total taking of the Property.

E. **Landlord's Default:** Notwithstanding anything to the contrary in the Lease, Tenant agrees that it shall concurrently give Lender a copy of any written notice of default given to Landlord, and Lender shall have the right, but not the obligation, to cure any default asserted against Tenant, and Lender shall have the right, but not the obligation, to cure any default asserted against Landlord within the time provided in the Lease, or if no such time is provided, within a reasonable period of time, before Tenant may take any action against Landlord and/or terminate the Lease by reason of such default.

F. **Lender's Waiver:** Lender acknowledges, consents and agrees that the improvements and the Trade Fixtures, excluding the heating, ventilating and air conditioning system and all electric and mechanical components and systems that form an integral part of the improvements, shall be and at all times remain the personal property of the Tenant (or an Equipment Lessor, as defined herein)

and the Trade Fixtures may be removed by the Tenant (or such Equipment Lessor) at any time during the term of the Lease, whether or not such Trade Fixtures may be regarded as property of Landlord by operation of law or otherwise. Tenant may arrange financing for the Trade Fixtures under and equipment lease, conditional sale agreement, security agreement or other security device with an equipment lessor, vendor or lender ("Equipment Lessor"). Lender hereby waives, disclaims, and releases unto such Equipment Lessors and rights Lender may have in or to the Trade Fixtures by reason of: (a) the manner or method in which the Trade Fixtures are attached or affixed to the Property or the improvements, or (b) any statute or rule of law of the state in which the Property is located which would, but for this agreement, permit the Lender to distrain against the Trade Fixtures for the non-payment of rent, additional rent, or other charges coming due under the Lease. Lender hereby grants permission to such Equipment Lessor to remove the Trade Fixtures in the event of a default by the Tenant under the equipment lease, conditional sales agreement, security agreement or other security device, provided it repairs any damage to the Property resulting therefrom. Such Equipment Lessor shall be deemed an intended direct beneficiary of the provisions of this Section F to the same extent and with the same force as if such Equipment Lessor were specifically and expressly named herein. If such Equipment Lessor requires the execution by Lender of a separate waiver which is not inconsistent with the foregoing, Lender agrees to execute and deliver such waiver subject to Lender's reasonable approval as to form, within a reasonable period of time after receipt of a written request therefor.

G. Lender's Partial UCC Release: Lender hereby releases its security interest, if any, in the improvements and the Trade Fixtures arising under the Security Instrument, Security agreement, and Financing Statement, each and all, and agrees that, if requested by Tenant, Lender shall execute and deliver to Tenant releases in the form appropriate for recording in the real estate records and filing under the Uniform Commercial Code, and such releases shall be recorded and/or filled by Tenant as required to give effect thereto.

If at any time, in accordance with any rights of Lender under a security agreement between Lender and Landlord, Lender files or records a financing statement pursuant to the Uniform Commercial Code pertaining to the Property, the Improvements, or any Trade Fixtures installed in or located on the Property, Lender agrees that it shall release its security interest, if any, in the Improvements and the Trade Fixtures arising under the applicable security agreement and perfected by such financing statement. If requested by Tenant, Lender shall execute and deliver to Tenant the appropriate UCC form evidencing the release, which shall be filled and recorded by the Tenant as required to give effect thereto.

H. Binding Effect: This Agreement shall inure to and be binding upon the heirs, successors and assigns of the parties hereto and the Equipment Lessor referred to in Section F above.

I. Incorporation of Exhibits: The Lease and all exhibits attached to this Agreement are hereby incorporated herein as though set forth in the Agreement itself.

J. Notification: Any and all notices, elections, approvals, consents, demands, requests and responses thereto ("Cmmunications") permitted or required to be given under this Agreement shall be in writing and shall be deemed to have been properly given and shall be effective upon the earlier receipt thereof or deposit thereof in the United States Mail, postage prepaid, certified with a return receipt requested, the the other party at the address of such party set forth herein below or at

such other address within the continental United States as such other party may designate by notice specifically designated as a notice of change of address and given in accordance herewith. If to Lender, must be addressed as follows, subject to change as provided hereinabove:

State Bank of Southern Utah

720 W State Street

Hurricane, Utah 84737

and, if given to Tenant, must be addressed as follows, subject to change as provided hereinabove:

Czarnowski Display Service, Inc.,

1253 E Commerce Dr

Santa Clara, Utah 84790

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

Lender:

State Bank of Southern Utah

By: _____

Name: _____

Its: _____

Tenant:

Czarnowski Display Service, Inc., an Illinois corporation

By:  _____

Name: Courtney Bulc

Its: CFO

Landlord:

IM4 LLC, a Utah limited liability company

By: _____

Name: _____

Its: _____

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

Lender:

State Bank of Southern Utah

By: 

Name: DAREN D. LARSON

Its: CEO President

Tenant:

Czarnowski Display Services, Inc., an Illinois corporation

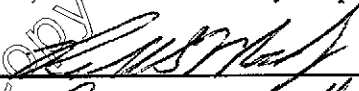
By: _____

Name: _____

Its: _____

Landlord:


IM4 LLC, a Utah limited liability company

By: 

Name: RUSSEL S. MOODY

Its: MEMBER

IM4 LLC, a Utah limited liability company

By: 

Dana Lee Moody, Member

Attached to and made a part of that certain Subordination, Non-Disturbance and Attornment Agreement, executed by Czarnowski Display Service, Inc., an Illinois corporation, IM4 LLC, a Utah limited liability company, and State Bank of Southern Utah.

NOTARY
(Corporation)

State of Utah)

County of Washington)

On the 4 day of ^{March} ~~February~~, 2016, personally appeared before me Courtney Buik, who being by me duly sworn, says that he/she is the Chief financial officer of Czarnowski Display Service, Inc., an Illinois corporation the corporation that executed the above and foregoing instrument and that said instrument was signed in behalf of said corporation by authority of its by-laws (or by authority of a resolution of its board of directors), and said ~~_____~~ acknowledged to me that said corporation executed the same.

Marisol Reyes
Notary Public



Commission Expires: 03-06-16

Attached to and made a part of that certain Subordination, Non-Disturbance and Attornment Agreement, executed by Czarnowski Display Services, Inc., an Illinois corporation, IM4 LLC, a Utah limited liability company, and State Bank of Southern Utah.

NOTARY

State of Utah

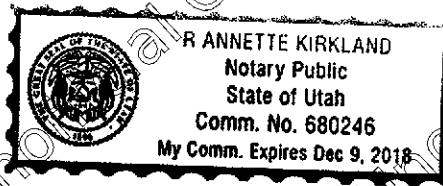
County of Washington

On the 18 day of February, 2016, personally appeared before me Darin Larson, who being by me duly sworn, says that he/she is the Vice President of State Bank of Southern Utah, the corporation that executed the above and foregoing instrument and that said instrument was signed in behalf of said corporation by authority of its by-laws (or by authority of a resolution of its board of directors) and said Darin Larson acknowledged to me that said corporation executed the same.

R Annette Kirklund

Notary Public

Commission Expires: 12-9-18



Attached to and made a part of that certain Subordination, Non-Disturbance and Attornment Agreement, executed by Czarnowski Display Services, Inc., an Illinois corporation, IM4 LLC, a Utah limited liability company, and State Bank of Southern Utah.

NOTARY

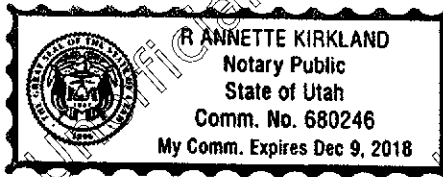
State of Utah)
)
 :ss
County of Washington)

On the 18 day of February, 2016, personally appeared before me Russell S. Morley, the Member of IM4 LLC, a Utah limited liability company, and known to me to be members or designated agents of the limited liability company that executed the herein instrument and acknowledged the instrument 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 herein mentioned, and on oath stated that they are authorized to execute this instrument on behalf of the limited liability company.

R. Annette Kirkland

Notary Public

Commission Expires: 12-9-18

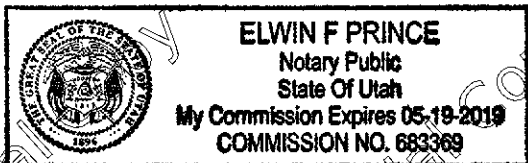


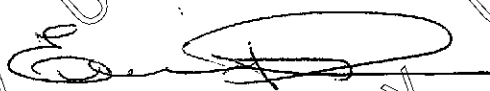
Attached to and made a part of that certain Subordination, Non-Disturbance and Attornment Agreement, executed by Czarnowski Display Services, Inc., an Illinois corporation, IM4 LLC, a Utah limited liability company, and State Bank of Southern Utah.

NOTARY

State of Utah)
)
) :SS
County of Washington)

On the 19th day of February, 2016, personally appeared before me Dana Lee Moody, the Member of IM4 LLC, a Utah limited liability company, and known to me to be members or designated agents of the limited liability company that executed the herein instrument and acknowledged the instrument 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 herein mentioned, and on oath stated that they are authorized to execute this instrument on behalf of the limited liability company.





Notary Public
Commsion Expires: 5-19-19

Attached to and made a part of that certain Subordination, Non-Disturbance and Attornment Agreement, executed by Czarnowski Display Service, Inc., an Illinois corporation, IM4 LLC, a Utah limited liability company, and State Bank of Southern Utah.

Exhibit "A" - Legal Description

A parcel of land located in the Southeast Quarter (SE¹/₄) of Section 17, Township 43 South, Range 15 West, Salt Lake Base and Meridian, being more particularly described as follows:

Commencing at the East Quarter Corner of said Section 17; thence North 88°48'11" West, 2183.29 feet along the Center Section Line; thence South, 1727.10 feet to a point on the East Line of River Road and the point of beginning; thence South 59°14'06" East, 291.15 feet; thence South 88°51'56" East, 300.99 feet; thence South 01°08'04" West, 344.19 feet; thence South 47°26'35" West, 220.25 feet; thence North 88°51'56" West, 280.43 feet; thence North 59°14'06" West, 415.99 feet to a point on said East Line of River Road; thence North 30°45'54" East, 500.00 feet along said East Line of River Road to the point of beginning.

(Proposed Lot 14, FORT PIERCE BUSINESS PARK)