

RECORD AND RETURN TO:

Coleman Talley LLP
3475 Lenox Road, Suite 400
Atlanta, GA 30326
Attn: Harrison Coleman, Esq.

Parcel No.:
34-508-0001
34-508-0002
34-508-0003
67-090-0001

LEASE SUBORDINATION AGREEMENT

Made By: MARINA COVE STORAGE, LLC
as Tenant

To: AVATAR REIT I LLC,
and
AVATAR CHABAD SOUTH HAMPTON LLC,
as Co-Lenders

Effective Date: September 21, 2021

LEASE SUBORDINATION AGREEMENT

THIS LEASE SUBORDINATION AGREEMENT (hereinafter referred to as this "Agreement"), is made effective September 21, 2021, by and between, **MARINA COVE STORAGE, LLC**, a Utah limited liability company (the "Tenant") with an address of 8839 S Redwood Road, Suite C2, West Jordan, Utah 84088 and **AVATAR REIT I LLC**, a Delaware limited liability company, and **AVATAR CHABAD SOUTH HAMPTON LLC**, a Delaware limited liability company as co-lenders (collectively, the "Lender") each with an address of 1200 Westlake Ave N, Suite 1006, Seattle, WA 98109 (Lender and Tenant referred to collectively herein as the "Parties").

WITNESSETH:

WHEREAS, "Lease" shall collectively be defined herein to mean all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Property or any portion of the Property, and all modifications, extensions, or renewals thereof;

WHEREAS, pursuant to the terms and provisions of that certain unrecorded Lease, **MARINA INVESTMENTS, LLC**, a Utah limited liability company, (the "Borrower" or "Landlord"), is currently leasing to Tenant the certain leasehold premises at the property located at 22 E. 1500 South, American Fork, Utah, 84003 (the "Premises"), the said Premises being situated on that certain tract or parcel of land described on **Exhibit "A"** which is attached hereto and incorporated herein by specific reference thereto (said land and Premises, together with the buildings and other improvements located or to be located thereon being hereinafter referred to collectively as the "Property");

WHEREAS, **AVATAR REIT I LLC** is the holder of that certain Commercial Promissory Note on which there now remains unpaid the principal sum of FIVE MILLION AND NO/100 DOLLARS (\$5,000,000.00) with interest; and **AVATAR CHABAD SOUTH HAMPTON LLC** is the holder of that certain Commercial Promissory Note on which there now remains unpaid the principal sum THREE MILLION NINE HUNDRED FIFTY THOUSAND AND NO/100 (\$3,950,000.00) (collectively, the "Loan");

WHEREAS, the Property is now encumbered by a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing by Borrower in favor of Lender (hereinafter referred to as the "Security Instrument"), recorded at Deed Entry Number 165105:2021, records of the Clerk of Court, Utah County, Utah, as security for the Loan, and the Loan is further evidenced and secured by certain other documents and instruments made by Borrower in favor of Lender (the Security Instrument and any and all such other documents and instruments being hereinafter referred to collectively as the "Loan Documents"); and

WHEREAS, Tenant and Lender desire hereby to establish certain rights, obligations, and priorities with respect to their respective interests in accordance with this Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and promises herein contained, and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, Tenant and Lender hereby covenant and agree as follows:

1. The Lease and the rights of Tenant thereunder shall be and are hereby made subject and subordinate to the lien of the Security Instrument and to all of the terms, conditions and provisions thereof and otherwise contained in any of the other Loan Documents, to all advances made or to be made thereunder, to the full extent of the principal sum and interest thereon from time to time secured thereby, and to any renewal, substitution, extension, modification or replacement thereof, including any increase in the indebtedness secured thereby or any supplements thereto.

2. In the event that Lender or any other person acquires title to the Premises pursuant to the exercise of any remedy provided for in the Security Instrument or in any of the other Loan Documents or by reason of the acceptance of a deed in lieu of foreclosure (the Lender, any other such persons and their participants, successors and assigns being referred to herein as the "Purchaser"), the Lease shall automatically terminate and be of no further force or effect unless otherwise agreed to in writing by Tenant and Lender.

3. Tenant agrees to give prompt written notice to Lender at the address and in the manner hereinafter set forth of any Default under the Lease by Borrower, and agrees, except as otherwise herein indicated, that Lender shall have the same opportunity and the same period of time to cure any default of Borrower as is provided to Borrower pursuant to the terms of the Lease; provided that, Lender shall have no obligation hereunder to cure any such default. In addition, with respect to any default which would entitle Tenant to cancel the Lease or abate the rent payable thereunder, Tenant further agrees that, notwithstanding any provision of the Lease to the contrary, no notice of cancellation or abatement given on behalf of Tenant shall be effective unless Lender has received said notice and has failed within thirty (30) days of the date of receipt thereof to cure any such default, or if the default cannot reasonably be cured within such thirty (30) day period, unless Lender has failed to commence and diligently to pursue the cure of any such default which gave rise to such right of cancellation or abatement within such thirty (30) day period and to thereafter continuously pursue such cure to completion. Tenant further agrees to give such notices to any successor of Lender, provided that such successor shall have given written notice to Tenant of its acquisition of Lender's interest in the Security Instrument and the other Loan Documents and shall have designated and provided the address to which such notices are to be sent.

4. Tenant acknowledges that Borrower has executed and delivered to Lender an Assignment of Leases and Rents conveying the rentals under the Lease as additional security for the Loan, and Tenant hereby expressly consents to such assignment and has no notice of a prior assignment of the Lease or the rents thereunder. Pursuant to such Assignment of Leases and Rents, Tenant agrees that if Lender sends written notice to Tenant instructing Tenant to direct its payments of rent under the Lease to Lender instead of Borrower, then Tenant agrees to follow the instructions set forth in such written notice and to deliver all rent payments to Lender until receipt of further written instructions from Lender to the contrary.

5. Tenant agrees that it will not, without the prior written consent of Lender, do any of the following, and any such purported action without such consent shall be void as against Lender:

- (a) modify the Lease or any extensions or renewals thereof in such a way as to reduce the rent, accelerate rent payments, shorten the original terms, or change any renewal option;
- (b) terminate the Lease except as provided by its terms; or
- (c) tender or accept a surrender of the Lease or make a prepayment in excess of one month of rent thereunder.

6. Upon written request by Lender, Tenant agrees to certify in writing to Lender whether or not any default on the part of Borrower or any prior landlord exists under the Lease and the nature of any such default.

7. The provisions hereof shall be self-operative and effective without the execution of any further instruments on the part of either party hereto. However, Tenant agrees to timely execute and deliver to Lender or to any person to whom Tenant herein agrees to attorn such other instruments as any such party shall request in order to effectuate and further memorialize the provisions of this Agreement.

8. From and after payment in full of the Loan and the recordation of a release or satisfaction of the Security Instrument, except upon the transfer of the Property to Lender as a Purchaser, this Agreement shall become void and of no further force or effect.

9. All notices and other communications given pursuant to this Agreement shall be in writing and shall either be mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested, and addressed as set forth in this Section 9, or delivered in person to the intended addressee, or sent by Federal Express or comparable overnight delivery service. Notice mailed in the aforesaid manner shall be deemed given upon the earlier of (a) the date when the notice is received by the addressee or (b) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service. Each party shall have the continuing right to change its address for notice hereunder by the giving of 15 days' prior written notice to the other party in accordance with this Section 9:

If to Lender:

c/o Avatar Capital Finance
1200 Westlake Ave. N., #1006
Seattle, Washington 98109

If to Tenant:

MARINA COVE STORAGE, LLC
8839 S. Redwood Road, Suite C2
West Jordan, Utah 84088

10. The agreements herein contained shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and/or assigns and, without limiting the foregoing, the agreements of Lender shall specifically be binding upon any Purchaser of the Property at foreclosure or otherwise in connection with the exercise of Lender's default remedies under the Security Instrument.

11. This Agreement may not be modified other than by an agreement in writing signed by the parties hereto or their respective successors and/or assigns.

12. This Agreement may be signed in multiple counterparts and each such counterpart shall constitute a separate original hereof and all such counterparts together shall constitute one and the same Agreement.

13. If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remaining terms and provisions hereof shall not be affected thereby, but each term and provision hereof shall be valid and enforceable to the fullest extent permitted by law.

14. This Agreement shall be governed, construed, interpreted, and enforced in accordance with the laws of the state where the Premises are located.

15. Time is of the essence of this Agreement.

[SIGNATURES CONTAINED ON FOLLOWING PAGES]

(COUNTERPART SIGNATURE PAGE TO LEASE SUBORDINATION AGREEMENT)

IN WITNESS WHEREOF, each party has signed and delivered this instrument under seal (where applicable) or has caused this instrument to be signed and delivered by its duly authorized representative under seal (where applicable). Where applicable law so provides, each intends that this instrument shall be deemed to be signed and delivered as a sealed instrument.

TENANT:

MARINA COVE STORAGE, LLC,
a Utah limited liability company

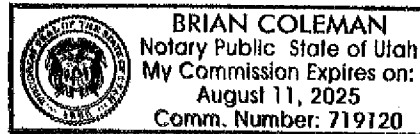
By: *Ryan Robert Walz* (SEAL)
Name: RYAN ROBERT WALZ
Its: Manager

STATE OF UTAH)
)
COUNTY OF UTAH)

On this 21 day of September, 2021 before me personally appeared RYAN ROBERT WALZ, the Manager of MARINA COVE STORAGE, LLC, a Utah limited liability company, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and Notarial Seal.

Brian Coleman
Notary Public
My Commission Expires: 8-11-25



[NOTARIAL SEAL]

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

(COUNTERPART SIGNATURE PAGE TO LEASE SUBORDINATION AGREEMENT)

LENDER:

AVATAR REIT I LLC,
a Delaware limited liability company

By: *Jerry Zevenbergen*

Name: Jerry Zevenbergen

Title: Manager

STATE OF WASHINGTON)

COUNTY OF KING)

On this 21st day of September, 2021 before me personally appeared Jerry Zevenbergen, the Manager of AVATAR REIT I LLC, a Delaware limited liability company, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and Notarial Seal.

Robert D. Lichtenhan

Notary Public

My Commission Expires: 4-10-24

[NOTARIAL SEAL]

[SIGNATURES CONTINUED ON FOLLOWING PAGE]



(COUNTERPART SIGNATURE PAGE TO LEASE SUBORDINATION AGREEMENT)

LENDER:

**AVATAR CHABAD SOUTH HAMPTON
LLC,**
a Delaware limited liability company

By: *Jerry Zevenbergen*

Name: Jerry Zevenbergen

Title: Manager

STATE OF WASHINGTON)
)
COUNTY OF KING)

On this 21st day of September, 2021 before me personally appeared Jerry Zevenbergen the Manager of AVATAR CHABAD SOUTH HAMPTON LLC, a Delaware limited liability company, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and Notarial Seal.

Robert D. Lichtenhan
Notary Public
My Commission Expires: 4-10-24

[NOTARIAL SEAL]

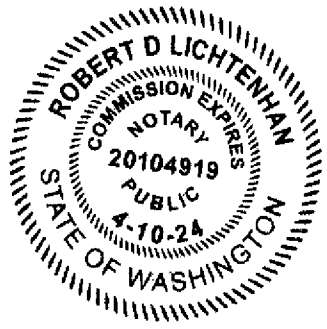


EXHIBIT A

Legal Description

Parcel 1:

Lots 1, 2, 3, Plat "A", Adams Boat Storage, American Fork, Utah County, Utah, according to the official plat thereof on file and of record in the office of the Utah County Recorder.

- Lot 1 – Parcel No. 34-508-0001
- Lot 2 – Parcel No. 34-508-0002
- Lot 3 – Parcel No. 34-508-0003

Part of Lot 1, Plat "A", Marina Cove Boat Storage Subdivision, described as follows:
Commencing South 380.14 feet and West 2663.82 feet from Northeast corner of Section 35, Township 5 South, Range 1 East, Salt Lake Base & Meridian; thence South 88°42'7" East 853.77 feet; thence South 0°23'48" West 49.96 feet; thence South 89°6'30" East 34.2 feet; thence South 0°53'30" West 382.95 feet; thence West 250.94 feet; along a curve to the left (chord bears: North 85°32'59" West 42.41 feet; Radius=536 feet); thence North 87°49'0" West 258.12 feet; along a curve to the left (chord bears: North 88°44'29" West 17.31 feet, Radius=536 feet); thence North 89°40'0" West 312.99 feet; thence North 437.41 feet to the point of beginning.

Parcel No. 67-090-0001

Parcel 1A:

Together with a 36 foot wide access Easement as set forth on the recorded plat of Adams Boat Storage, Plat A, recorded May 25, 2012 as Entry No. 43873:2012.