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Leann H. Kiltz, WEBER COUNTY RECORDER
16-Aug-16 0113 PM FEE \$31.00 DEP DA
REC FOR: FIRST AMERICAN TITLE INSURANCE COI
ELECTRONICALLY RECORDED

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Mountain West Debt Fund, LP
Attn: Rocky Derrick
357 West 200 South, Suite 200
Salt Lake City, Utah 84101

12-112-0010

12-112-0011

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made as of August 15th, 2016, by and among ROY EDWARD DOUGLASS JR., TRUSTEE of The Roy Edward Douglass Jr. and JoAnn Elizabeth Douglass Joint Living Trust dated September 25, 2013 and RJS PROPERTIES, LLC a Utah limited liability company (collectively hereinafter referred to as "Lessor"), SDI, Ogden, UT, LLC, a Utah limited liability company ("Lessee"), and MOUNTAIN WEST DEBT FUND, LP, a Delaware limited partnership ("Lender").

RECITALS

WHEREAS, pursuant to the terms and provisions of that certain Commercial Lease for 1241 Washington Boulevard, Ogden, Utah, 84404 dated August 15th, 2016, by and between Lessor, as landlord, and Lessee, as lessee (as the same may hereafter be amended, modified or restated, the "Lease"), Lessor granted to Lessee a leasehold estate in and to a portion of the property described on Exhibit A attached hereto and incorporated herein by this reference (which property, together with all improvements now or hereafter located on the property, is defined as the "Property").

WHEREAS, in connection with the certain Loan Agreement by and between Lender, as lender, and Lessor, as borrower ("Loan Agreement"), Lessor has executed or will execute a Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing (as the same may have been and may be amended, including, without limitation, as described herein, the "Security Instrument"), which Security Instrument secures a Secured Promissory Note (the "Note") made by Lessor and in favor of Lender, which Note is payable with interest and upon the terms and conditions described therein and evidence the loan made by Lender to Lessor (the "Loan"). The Security Instrument, the Note, the Loan Agreement, this Agreement and those other documents, certificates and/or instruments described in the Loan Agreement as Loan Documents shall mean the "Loan Documents".

PG 1

WHEREAS, as a condition to making the Loan secured by the Security Instrument, Lender requires that the Security Instrument be and at all times remain a lien on the Property, prior and superior to all the rights of Lessee under the Lease and that the Lessee specifically and unconditionally subordinate the Lease to the lien of the Security Instrument.

WHEREAS, Lessor and Lessee have agreed to the subordination and other agreements herein in favor of Lender.

NOW THEREFORE, for good and valuable consideration, including but not limited to inducing Lender to make the Loan, Lessor and Lessee hereby agree for the benefit of Lender, as follows:

1. SUBORDINATION. Lessor and Lessee hereby agree that:

1.1 Prior Lien. The Security Instrument, and any modifications, renewals or extensions thereof shall be and all times remain a lien on the Property prior and superior to the Lease;

1.2 Subordination. Lender would not make the Loan to Lessor and enter into the Loan Documents without this Agreement; and

1.3 Whole Agreement. This Agreement shall be the whole agreement and only agreement with regard to the subordination of the Lease to the lien of the Security Instrument, and shall supersede and cancel, but only insofar as would affect the priority between the Security Instrument and the Lease, any prior agreements as to such subordination, including, without limitation, those provisions, if any, contained in the Lease which provide for the subordination of the Lease to a deed or deeds of trust, to a mortgage or mortgages, to another lease, or to any other instrument creating or memorializing any interest in property.

AND FURTHER, Lessee individually declares, agrees and acknowledges for the benefit of Lender that:

1.4 Use of Proceeds. Lender, in making disbursements under the Loan or any of the Loan Documents with respect to the Property, is under no obligation or duty to see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds, and the misapplication of such proceeds by the Lessor or by any other person or persons to whom such proceeds were delivered shall constitute neither a breach of this Agreement by Lender nor a basis for Lessor or Lessee to challenge the validity of this Agreement; and

1.5 Waiver, Relinquishment and Subordination. Lessee intentionally waives, relinquishes and subordinates all of Lessee's right, title and interest in and to the Property to the lien of the Security Instrument, and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made by Lender and specific obligations are being assumed by Lessor, and, as part and parcel thereof, specific monetary and other

obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.

2. ASSIGNMENT. Lessee acknowledges and consents to the assignment of the Lease by Lessor in favor of Lender.

3. ADDITIONAL AGREEMENTS. Lessee covenants and agrees that, during all such times as Lender is the beneficiary under the Security Instrument:

3.1 Notice of Default. Lessee will notify Lender in writing concurrently with any notice given to Lessor of any default by Lessor under the Lease, and Lessee agrees that Lender has the right (but not the obligation) to cure any default specified in such notice within the time periods set forth in the Lease, or if no time period is provided, Lender shall have thirty (30) days from the receipt of notice from Lessee to cure such default;

3.2 No Advance Rents. Lessee will make no payments or prepayments of rent more than one (1) month in advance of the time when the same become due under the Lease; and

3.3 Assignment of Rents. Upon receipt by Lessee of written notice from Lender that Lender has elected to terminate the license granted to Lessor to collect rents, as provided in the Security Instrument, and directing the payment of rents by Lessee, Lessee shall comply with such direction to pay rents to such account as is specified by Lender in such notice and shall not be required to determine whether Lessor is in default under the Loan and/or the Security Instrument.

4. ATTORNMENT. In the event of a foreclosure under the Security Instrument, Lessee agrees for the benefit of Lender (including for this purpose any transferee of Lender or any transferee of Lessor's title in and to the Property by Lender's exercise of the remedy of sale by foreclosure under the Security Instrument) as follows:

4.1 Payment of Rent. Lessee shall pay to Lender all rental payments required to be made by Lessee pursuant to the terms of the Lease for the duration of the term of the Lease;

4.2 Continuation of Performance. Lessee shall be bound to Lender in accordance with all of the provisions of the Lease for the balance of the term thereof, and Lessee hereby attorns to Lender as its landlord, such attornment to be effective and self-operative without the execution of any further instrument immediately upon Lender succeeding to Lessor's interest in the Lease and giving written notice thereof to Lessee;

4.3 No Offset. Lender shall not be liable for, nor subject to, the return of any sums which Lessee may have paid to Lessor under the Lease as and for security deposits, advance rentals or otherwise, except to the extent that such sums are actually delivered by Lessor to Lender;

4.4 Subsequent Transfer. If Lender, by succeeding to the interest of Lessor under the Lease, should become obligated to perform the covenants of Lessor thereunder, then, upon any further transfer of Lessor's interest by Lender, all of such obligations arising after any such further transfer shall terminate as to Lender.

5. NON-DISTURBANCE. In the event of a foreclosure under the Security Instrument, so long as there shall then exist no uncured default on the part of Lessee under the Lease, Lender agrees for itself and its successors and assigns that the leasehold interest of Lessee under the Lease shall not be extinguished or terminated by reason of such foreclosure, but rather the Lease shall continue in full force and effect and Lender shall recognize and accept Lessee as lessee under the Lease subject to the terms and provisions of the Lease.

6. MISCELLANEOUS.

6.1 Heirs, Successors, Assigns and Transferees. The covenants herein shall be binding upon, and inure to the benefit of, the heirs, successors and assigns of the parties hereto.

6.2 Notices. All notices or other communications required or permitted to be given pursuant to the provisions hereof shall be (a) delivered personally, (b) mailed by certified or registered mail, return receipt requested, (c) sent via nationally recognized overnight courier (e.g. Federal Express), or (d) transmitted by facsimile in each case to the parties at the following addresses:

“LESSOR”

Roy Edward Douglass Jr., Trustee
233 N. Country Club Road
Glendora, CA 91741
Fax: (626)963-9009

RJS PROPERTIES, LLC
Attn: Paul Holloway
1331 17th Street Suite 1250
Denver, CO 80202

“LESSEE”

SDI, OGDEN, UT, LLC
1241 Washington Boulevard
Ogden, UT 84404
Fax:
Attn: Rick Timmons
E-mail: ricktimmons@me.com

“LENDER”

MOUNTAIN WEST DEBT FUND, LP
Attn: Rocky Derrick
357 West 200 South, Suite 250,
Salt Lake City, Utah 84101
Fax: 801-880-2191

Any party hereto may change its address for service of notices by giving notice to the other parties in the manner provided in this paragraph. Any such notice shall be deemed to have been received: (a) when the notice is received by the recipient or when delivery to said address is attempted but refused or on the date of attempted delivery if the address is no longer valid if sent by registered or certified mail or overnight courier, (b) on the date of sending by facsimile to said fax number if sent during business hours on a business day (otherwise on the next business day), and (c) on the date of delivery by hand if delivered during business hours on a business day (otherwise on the next business day).

6.3 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute and be construed as one and the same instrument.

6.4 Remedies Cumulative. All rights of Lender herein to collect rents on behalf of Lessor under the Lease are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between Lender or others.

6.5 Paragraph Headings. Paragraph headings in this Agreement are for convenience only and are not to be construed as part of this Agreement or in any way limiting or applying the provisions hereof.

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

BY EXECUTING THIS AGREEMENT, EACH OF THE PARTIES HERETO RESPECTIVELY ACKNOWLEDGES AND CERTIFIES THAT PRIOR TO ITS EXECUTION OF THIS AGREEMENT THAT IT HAS CONSULTED WITH ITS ATTORNEYS REGARDING THE TERMS, CONDITIONS, AND PROVISIONS OF THIS AGREEMENT.

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

A part of the Northeast Quarter of Section 20, Township 6 North, Range 1 West, Salt Lake Base and Meridian, U.S. Survey:

Beginning at a point on the West Line of Washington Blvd. 307.5 feet South of the South line of 12th Street, and running thence North along Washington Blvd. 72.50 feet; thence West 242 feet; thence South 72.5 feet; thence East 242 feet to the place of beginning.

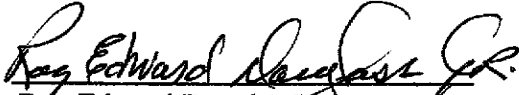
PARCEL 2:

Part of the Northeast Quarter of Section 20, Township 6 North, Range 1 West, Salt Lake Base and Meridian:

Beginning at a point on the West line of Washington Blvd. 357.5 feet South of the South line of 12th Street, and running thence North along Washington Blvd. 50 feet; thence West 242 feet; thence South 50 feet; thence East 242 feet to the place of beginning.

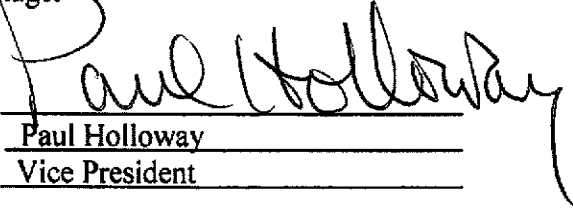
“LESSOR”

ROY EDWARD DOUGLAS JR, Trustee of the Roy Edward Douglass Jr. and JoAnn Elizabeth Douglass Joint Living Trust dated September 25, 2015

By: 
Name: Roy Edward Douglas Jr.
Title: Trustee

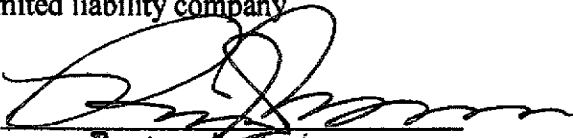
RJS PROPERTIES, LLC, a Utah limited liability company

By: Aeruit Exchange Accommodation Services, LLC
Its: Manager

By: 
Name: Paul Holloway
Title: Vice President

“LESSEE”

SDI, OGDEN, UT, LLC, a Utah limited liability company

By: 
Name: Richard Timmons
Title: Manager

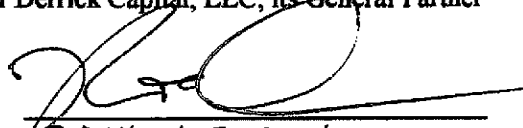
[signatures continued on following page.]

"LENDER"

MOUNTAIN WEST DEBT FUND, LP,
a Delaware limited partnership

Taylor Derrick Capital, LLC, its General Partner

By:



Name: ROCKY DERRICK

Title: MANAGER

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On August 16th, 2016 before me, Rachel Pike, Notary
(insert name and title of the officer)

personally appeared Rocky Derrick, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he executed the same in his individual capacity and in his capacity stated above.

I certify under PENALTY OF PERJURY under the laws of the State of Utah that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Rachel Pike (Seal)



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF Colorado)
) ss.
COUNTY OF Weld)

On 8/12/16, 2016, before me, Meighen MacGregor, a Notary Public, personally appeared Paul Holloway, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Meighen MacGregor
Signature of Notary Public

MEIGHEN MacGREGOR
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #20144013187
MY COMMISSION EXPIRES 03/25/2018

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF Utah)
) ss.
COUNTY OF Salt Lake)

On 8-15, 2016, before me, Richard Timmon, a Notary Public, personally appeared Richard Timmon, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Richard Timmon
Signature of Notary Public

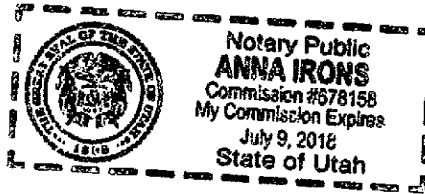
STATE OF Utah)
)ss.
County of Salt Lake)

On the 15th day of August, 2013, before me, the undersigned Notary Public, personally appeared **Rick Timmons as Manager of SDI-Ogden, UT, LLC, a Utah limited liability company**, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Anna Irons
Notary Public

My Commission Expires:



STATE OF Utah)
)ss.
County of Salt Lake)

On the 15th day of August, 2013, before me, the undersigned Notary Public, personally appeared **Roy Edward Douglass Jr., as Trustee of the Roy Edward Douglass Jr. and JoAnn Elizabeth Douglass Joint Living Trust dated September 25, 2015**, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



My Commission Expires:

Notary Public

