

Prepared by:
Lexi Lueth
Aqua Finance Inc
One Corporate Drive, Ste 300
Wausau WI 54401

CHICAGO TITLE
500105423

Subordination Agreement

THIS SUBORDINATED LOAN AGREEMENT is entered into as of January 5, 2021 between American Pacific Mtg. Corp. (hereinafter called "Senior Lender"), and Aqua Finance Inc., One Corporate Drive, Suite 300, Wausau, Wisconsin 54401 (hereinafter called "Junior Lender").

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, Junior Lender, to induce Senior Lender, at its option at any time or from time to time to loan monies or extend financial accommodations, with or without security, to or for the account of Tyler Tobler (hereinafter called "Borrowers"), and at the special instances and request of Senior Lender, hereby agrees with Senior Lender as follows:

1. Definitions,

The following terms shall have the meanings set forth below:

- a. "Junior Debt" shall mean and include any and all indebtedness's, liabilities and obligations of Borrower to the Junior (Subordinated) Lender, absolute or contingent, joint, several or independent, now outstanding or owing or which may hereafter be existing or incurred, arising by operation of law or otherwise, or held or to be held by Junior Lender, whether created directly or acquired by assignment, as a participation, conditionally, as collateral security from another or otherwise, including indebtedness's, obligations and liabilities of Borrower to Junior Lender as a member of any partnership, syndicate, association or other group, and whether incurred by Borrower as principal, surety, endorser, guarantor, accommodation party or otherwise, all indebtedness's, liabilities and obligations of Borrower or Subsidiary and to the Junior (Subordinated) Lender arising out of the following described document: UCC Financing Statement executed by, Tyler Tobler and payable to the order of Aqua Finance Inc., recorded November 12, 2020, instrument no. 20201120001, in official records of the County of Skagit, State of Washington.
- b. "Senior Debt" shall mean and include any and all indebtedness's, liabilities and obligations of borrower to Senior Lender, not to exceed \$_____, absolute or contingent, direct or indirect, now outstanding or owing or which may hereafter be existing or incurred, arising by operation of law, due or to become due whether created directly or acquired by assignment, including indebtedness's obligations and liabilities of Borrower to Senior Lender as a member of any partnership, syndicate, association, or other group, and whether incurred by Borrower as principal, surety, endorser, guarantor, accommodation party or otherwise, and after the filing of a voluntary petition pursuant to the U.S. Bankruptcy code, amounts due pursuant to indemnities, expenses, legal, accounting and appraisal expenses, and late charges.

2. Subordination.

AF# 202101210109

The payment of any and all Subordinated Debt is expressly subordinated to the extent and in the manner set forth herein to the Senior Debt.

3. Restrictions on Action Against Borrower.

The Junior Lender will not commence any action or proceeding against Borrower to recover all or any part of the Junior Debt, nor join with any other creditor, unless Senior Lender shall also join, in bringing any proceedings against Borrower under any bankruptcy, reorganization, readjustment of debt, arrangement of debt, receivership, liquidation or insolvency law, or statute of the federal or any state government unless and until all Senior Debt shall have been paid in full.

4. Subordination of Liens.

All liens and security interests securing the Junior Debt are hereby subordinated and made junior to all liens and security interests securing the Senior Debt, but this subordination shall not be deemed to subordinate the liens and security interests in favor of Junior Lender to the liens and security interests in favor of any other person. Without the prior written consent of Senior Lender, the Junior Lender shall not: (a) exercise or enforce any lender's right it may have against Borrower with respect to any property of the Borrower, or (b) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings, judicial or otherwise, to enforce any liens, security interests, judgments or other encumbrances upon any property of the Borrower.

5. Senior Lender's Actions.

This Subordination Agreement shall be irrevocable, absolute and unconditional, shall remain in full force and effect until payment in full of the Senior Debt, and shall in no way be affected or impaired by reason of the happening from time to time of any other event, including, without limitation, the following, whether or not any such event shall have occurred without notice to or the consent of the Junior Lender.

- (a) The waiver, compromise, settlement, termination or other release of the performance or observance by the Borrower, or any other person liable or to become liable for repayment of the Senior Debt or any or all of such Borrower's or other party's agreements, covenants, terms or conditions contained in any agreement relating to the Senior Debt provided, however, that no such changes shall have the effect of further restricting payments respecting the Junior Debt without the prior written consent of the Junior Lender;
- (b) The extension of the time for payment of any of the Senior Debt or of the time for performance of any obligations, covenants or agreements under or arising out of any agreement relating to the Senior Debt;
- (c) The modification or amendment of any obligation, covenant or agreement set forth in this Subordination Agreement, or any agreement relating to the Senior Debt.

- (d) The surrender or impairment of any security for the performance or observance of any of the agreements, covenants, terms and conditions contained in any agreement relating to the Senior Debt or this Subordination Agreement;
- (e) The failure to give notice to the Junior Lender of the occurrence of a default under this Subordination Agreement or of the occurrence of an event of default under the terms and provisions of any agreement relating to the Senior Debt.

6. Subrogation

Upon payment in full of the Senior Debt, the Junior Lender shall be fully subrogated to the rights of the Senior Lender to receive payments or distributions of assets of the Borrower made on the Senior Debt until the Junior Debt has been paid in full.

7. Affirmative Covenants

The Junior Lender agrees to execute any and all other instruments necessary as required by the Senior Lender to subordinate the Junior Debt to the Senior Debt as herein provided. The Junior Lender will:

- a. Mark the books of Junior Lender to show that the Junior Debt is subordinated to the Senior Debt pursuant to this Subordination Agreement

8. Assignment by Junior Lender

This Subordination Agreement may be assigned by Senior Lender in connection with any assignment or transfer of the Senior Debt. The Subordination Agreement shall inure to the benefits of Senior Lender, its successors and assigns.

9. Governing Law


This agreement shall be governed by and construed in accordance with the laws of the State of Washington.


10. Interpretation

Headings are for the convenience of the parties only and shall not be used to interpret the meaning of the Subordination Agreement.

IN WITNESS WHEREOF, the undersigned have entered into the Agreement as of the date first written above.

JUNIOR LENDER

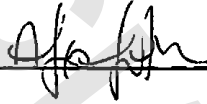


Aqua Finance, Inc.
By: 
It's: 6.1.21

ACKNOWLEDGEMENT:

STATE OF WISCONSIN)
COUNTY OF MARATHON)

This instrument was acknowledged before me on January 5, 2021, by Scott Chittum, SR. Vice President of Aqua Finance.



Alexis Lueth

Notary Public acting in the County of Marathon, State of Wisconsin

My Commission Expires: July 23, 2024

