

WHEN RECORDED MAIL TO:  
Davis & Kuelthan, SC  
111 E. Kilbourn, Ste 1400  
Milwaukee, WI 53202-6613

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SHERYL L. WHITE, DAVIS CNTY RECORDER  
1999 JUN 24 11:05 AM FEE 25.00 DEP MT  
REC'D FOR FIRST AMERICAN TITLE CO OF UTA

### SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT, made and entered into as of the 1 day of JUNE, 1999 by and among UDY Group, Inc., a \_\_\_\_\_ whose address is 801 North 500 West, West Bountiful, Utah 84087, Suite 201, (the "Tenant"), and Barton Creek Partners, L.L.C. a Utah limited liability company whose address is 801 North 500 West, Suite 300, West Bountiful, Utah 84087, (the "Borrower"), and TMG LIFE INSURANCE COMPANY, a North Dakota corporation, whose address is c/o The Mutual Group (U.S.), Inc., 401 North Executive Drive, Suite 300, P.O. Box 503, Brookfield, Wisconsin 53008-0503 (the "Lender").

#### PRELIMINARY STATEMENT OF FACTS:

A. The Lender has agreed to make a first Deed of Trust loan (the "Loan") to the Borrower, repayment of which is to be secured by a Deed of Trust and Security Agreement (the "Trust Deed") on certain real estate as more fully described in Exhibit "A" attached hereto and the improvements thereon (collectively, the "Premises").

B. The Deed of Trust is to be recorded in the register's office for the County of Davis, State of Utah.

C. The Tenant is the present lessee under a Lease dated February 4, 19 99, with the Borrower, as landlord, demising the Premises (said lease and all amendments thereto being referred to as the "Lease").

D. As a condition precedent to the Lender's disbursement of the proceeds of the Loan, the Lender has required that the Tenant subordinate the Lease and its interest in the Premises in all respects to the lien of the Trust Deed, subject to the terms and conditions of this Agreement.

E. In return, the Lender agrees not to disturb the Tenant's possession of the Premises so long as the Tenant is not in default under the terms of the Lease.

F. The Lender is disbursing the proceeds of the Loan in reliance upon the agreements contained in this instrument, without which it would not disburse the Loan.

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, it is hereby agreed as follows:

1. SUBORDINATION. The Lease, and the rights of the Tenant in, to or under the Lease and the Premises, are hereby subjected and subordinated and shall remain in all respects and for all purposes subject, subordinate and junior to the lien of the Trust Deed, and to the rights and interest of the from time to time holder of the Trust Deed, as fully and with the same effect as if the Trust Deed had been duly executed, acknowledged and recorded, and the indebtedness secured thereby had been fully disbursed prior to the execution of the Lease or possession of the Premises by the Tenant, or its predecessors in interest.

2. PURCHASE OPTIONS. Any options or rights contained in the Lease to acquire title to the Premises are hereby made subject and subordinate to the rights of the Lender under the Trust Deed and any acquisition of title to the Premises made by the Tenant during the term of the Trust Deed shall be made subordinate and subject to the Trust Deed.

3. TENANT NOT TO BE DISTURBED. As long as there is no Event of Default by the Tenant under the Lease (beyond any period given the Tenant to cure such default), the Tenant's possession, use and occupancy of the Premises and the Tenant's rights and privileges under the Lease, or any extensions or renewals thereof which may be effected in accordance with any renewal rights therefor in the Lease, shall not be diminished or interfered with by the Lender, and the Tenant's use and occupancy of the Premises shall not be disturbed by the Lender for any reason whatsoever during the term of the Lease or any such extensions or renewals thereof.

4. TENANT NOT TO BE JOINED IN FORECLOSURE. As long as there is no Event of Default by the Tenant under the Lease beyond any period given the Tenant to cure such default, in payment of rent or in the performance of any of the terms, covenants or conditions of the Lease, on Tenant's part to be performed, the Lender will neither join the Tenant as a party defendant in any action or proceeding foreclosing the Trust Deed nor shall the Tenant be made a party to any proceeding to foreclose the Trust Deed or enforce any other document securing the Loan unless such joinder is necessary to foreclose the Borrower's interest in the Premises subject to the Trust Deed and then only for such purpose and not for the purpose of terminating the Lease.

5. TENANT TO ATTORN TO LENDER. If the interests of the Borrower shall be transferred to and owned by the Lender by reason of foreclosure or other proceedings brought by it in lieu of or pursuant to a foreclosure, or by any other manner, and the Lender succeeds to the interest of the Borrower under the Lease, the Tenant shall be bound to the Lender, after written notice thereof, under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be effected in accordance with any option therefor in the Lease, with the same force and effect as if the Lender were the landlord under the Lease, and the Tenant does hereby attorn to the Lender as its landlord, said attornment to be effective and self-operative immediately upon the Lender succeeding to the interest of the Borrower under the Lease, following written notice thereof, without the execution of any further instruments on the part of any of the parties hereto

provided, however, that the Tenant shall be under no obligation to pay rent to the Lender until the Tenant receives written notice from the Lender that it has succeeded to the interest of the Borrower under the Lease. The respective rights and obligations of the Tenant and the Lender upon such attornment, to the extent of the then remaining balance of the term of the Lease and any such extensions and renewals, shall be and are the same as now set forth therein; it being the intention of the parties hereto for this purpose to incorporate the Lease in this Agreement by reference with the same force and effect as if set forth at length herein.

6. LENDER NOT BOUND BY CERTAIN ACTS OF LANDLORD. If the Lender shall succeed to the interest of the Borrower under the Lease, the Lender shall not be liable for any act or omission of any prior landlord (including the Borrower); nor subject to any offsets or defenses which the Tenant might have against any prior landlord (including the Borrower); nor bound by any rent or additional rent which the Tenant might have paid for more than the then current monthly installment; nor liable for any security deposit that the Tenant may have paid to the Borrower, as the prior landlord, unless the Borrower shall have paid over such security deposit to the Lender; nor bound by any amendment or modification of the Lease made without its consent. In the event of default by the Borrower under the Lease or an occurrence that would give rise to an offset against rent or claim against the Borrower under the Lease, the Tenant will use its best efforts to set off such default against rents currently due the Borrower and will give the Lender notice of such default or occurrence at the address of the Lender as set forth above and will give the Lender such time as is reasonably required to cure such default or rectify such occurrence. The Tenant agrees that notwithstanding any provision of the Lease to the contrary, it will not be entitled to cancel the Lease, or to abate or offset against the rent, or to exercise any other right or remedy until the Lender has been given notice of default and opportunity to cure such default as provided herein.

7. ASSIGNMENT OF LEASES. The Borrower, by separate Assignment of Lease and Rents ("Assignment"), will assign its interest in the rents and payments due under the Lease to the Lender as security for repayment of the Loan provided that all rents and other payments due under the Lease shall be paid to the Borrower so long as the Borrower is not in default under the terms of the Trust Deed. If in the future there is a default by the Borrower in the performance and observance of the terms of the Trust Deed, the Lender may, at its option under the Assignment, require that all rents and other payments due under the Lease be paid directly to it. Upon notification to that effect by the Lender, the Borrower hereby authorizes and directs the Tenant and the Tenant agrees to pay any payments due under the terms of the Lease to Lender and the Borrower hereby releases and discharges the Tenant of and from any liability to the Borrower on account of any such payments. The Assignment does not diminish any obligations of the Borrower under the Lease or impose any such obligations on the Lender.

8. SUCCESSORS AND ASSIGNS. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon the parties hereto and their heirs, administrators, representatives, successors and assigns, including without limitation each and ever from time to time holder of the Lease or any other person having an interest therein and shall inure to the benefit of the Lender and its successors and assigns.

9. CHOICE OF LAW. This Agreement is made and executed under and in all

respects is to be governed and construed by the laws of the State of Utah.

10. CAPTIONS AND HEADINGS. The captions and headings of the various sections of this Agreement are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

11. NOTICES. Any notices which any party hereto may desire or may be required to give to any other party shall be in writing and the mailing thereof by certified mail, return receipt requested, personal delivery or delivery by courier service or overnight express to their respective addresses as set forth herein, or to such other places any party hereto may hereafter by notice in writing designate, shall constitute service of notice hereunder.

12. COUNTERPARTS. This agreement may be executed by the undersigned simultaneously, or otherwise, in several counterparts, or counterpart signature pages, each of which shall be an original and all of which shall constitute but one and the same instrument.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed as of the date first above written.

TENANT:

UDY Group, Inc.

a \_\_\_\_\_

By: R. Dean Udy, Pres.

R. Dean Udy, President  
(Typed or Printed Name and Title)

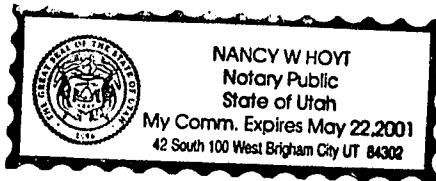
STATE OF Utah )

: ss.

COUNTY OF Box Elder )

The foregoing instrument was acknowledged before me this 1 day of June, 1999, by R. Dean Udy, the President of Udy Group, an individual personally known to me to be the same person whose name is subscribed to the foregoing instrument and acknowledged that he/she signed and delivered the said instrument for the uses and purposes therein set forth.

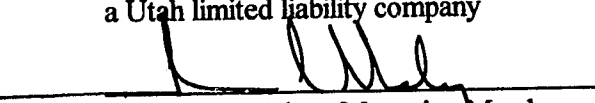
[SEAL]



Nancy Hoyt  
Printed Name: Nancy Hoyt  
Address: PO Box 737  
Brigham City UT 84302  
Notary Public, State of UTAH  
My commission: May 22, 2001

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed as of the date first above written.

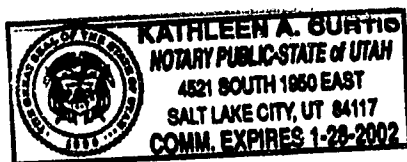
**BORROWER:** BARTON CREEK PARTNERS, L.L.C.  
a Utah limited liability company

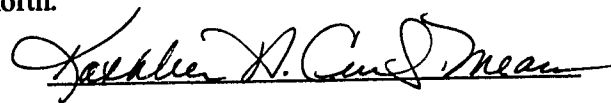
  
Thomas C. Mabey, Managing Member

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

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of June, 1999, by, Thomas C. Mabey, the Managing Member of BARTON CREEK PARTNERS, L. L.C. a Utah limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument and acknowledged that he signed and delivered the said instrument for the uses and purposes therein set forth.

[SEAL]





Printed Name: Kathleen A. Curtis Mears  
Address: New: 2786 E. Cobblemoor Lane  
Sandy UT 84093  
Notary Public, State of Utah  
My commission: 1-28-2002

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed as of the date first above written.

**LENDER:** THE MUTUAL GROUP (U.S.), INC., as  
Agent for TMG Life Insurance Company,  
A North Dakota corporation

By: Michael J. Steppe  
Michael J. Steppe, Senior Vice President

Attest: Richard A. Leichtfuss  
Richard A. Leichtfuss,  
Executive Director, Real Estate Investments

STATE OF WISCONSIN    )  
                                  : ss.  
COUNTY OF WAUKESHA )

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of June, 1999, by Michael J. Steppe and Richard A. Leichtfuss, the Senior Vice President and Executive Director, Real Estate Investments, respectively, of THE MUTUAL GROUP (U.S.), INC., agent for TMG Life Insurance Company, a North Dakota corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument and acknowledged that they signed and delivered the said instrument for the uses and purposes therein set forth.

[SEAL]

Lori J. Sweet  
Printed Name: Lori J. Sweet  
Notary Public, State of Wisconsin  
My commission: 9/24/2000

This Instrument was Drafted by and  
after Recording, should be returned to:  
Amy Klemm Verbos, Esq.  
Davis & Kuelthau, s.c.  
111 East Kilbourn Avenue  
Suite 1400  
Milwaukee, Wisconsin 53202  
(414) 276-0200

A:Subordination.UDYGroup.Clearwater

EXHIBIT "A"

E 1527409 B 2522 P 1264

Legal Description

Beginning at a point on the West line of 500 West Street, said point being North  $0^{\circ}08'30''$  West 1943.51 feet along the Section line and South  $89^{\circ}51'30''$  West 161.15 feet from the East Quarter corner of Section 24, Township 2 North, Range 1 West, Salt Lake Base and Meridian, said point also being North  $0^{\circ}22'48''$  East 1547.01 feet along the centerline of 500 West Street and North  $89^{\circ}37'12''$  West 40.00 feet from the centerline monument found at the intersection of 400 North Street and 500 West Street and running thence South  $0^{\circ}22'48''$  West 291.58 feet along said West line; thence North  $89^{\circ}37'12''$  West 462.69 feet to a point on the Easterly right of way line of Interstate 15; thence along said Easterly line the following (2) courses: North  $21^{\circ}35'58''$  East 104.14 feet to a point on a 2776.90 foot radius curve to the right (radius bears South  $68^{\circ}58'34''$  East); thence along the arc of said curve 224.68 feet through a central angle of  $4^{\circ}38'09''$ ; thence leaving said Easterly line south  $65^{\circ}05'01''$  East 29.67 feet; thence South  $89^{\circ}37'12''$  East 310.38 feet to the point of beginning.

\* \* \*