

WHEN RECORDED RETURN TO:
Greater Salt Lake Business District
7050 Union Park Center, Suite 570
Midvale, Utah 84047

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06/16/97 3:08 PM 18.00
NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
ASSOCIATED TITLE
REC BY: L NISH DEPUTY - WI

Assignment of Real Estate Lease and Subordination Agreement

This Assignment of Lease and Subordination Agreement is entered into by Applied Geotechnical Engineering Consultants, Inc. ("Lessee") and Parkway Associates, L.L.C., a Utah limited liability company ("Lessor").

RECITALS

A. Lessee has heretofore leased from Lessor by lease dated January 19, 1996, for a term of twenty years (the "Lease") certain real property (the "Leased Premises") known as 600 W. Sandy Parkway, Sandy, Utah 84070, located in the County of Salt Lake, State of Utah and described as follows:

See Exhibit "A" which is attached hereto and incorporated herein by this reference.

B. GREATER SALT LAKE BUSINESS DISTRICT and the SMALL BUSINESS ADMINISTRATION (jointly referred to as "Assignee") have authorized the making of an SBA 504 Loan, Loan No. CDC 950 011 3005 UT, to Lessee in the amount of \$551,000.00, due and payable on or before a time to be determined by the U.S. Secretary of the Treasury (the "Loan").

C. Lessee has executed an addendum to the Lease wherein the term of the lease has been extended to be equal to or longer than the term of the Loan.

D. The Loan is for the benefit of both Lessee and Lessor, in that the funds are to be used for the benefit of the business conducted on the Leased Premises purchased and/or renovated by Loan proceeds.

ASSIGNMENT AND AGREEMENT

NOW, THEREFORE, in consideration of disbursement of the Loan or any part thereof, and for other good and valuable consideration the receipt and legal sufficiency of which are hereby acknowledged, Lessee and Lessor covenant and agree as follows:

1. Assignment of Lease.

a. Lessee, with the consent of Lessor, hereby assigns, transfers, and conveys the Lease unto Assignee, as security for the Loan, to have and to hold for and during the remainder of the term mentioned in the Lease, and all renewals and extensions of the Lease term.

b. Lessor, with the consent of Lessee, hereby assigns, transfers, and conveys the Lease unto Assignee, as security for the Loan, to have and to hold for and during the remainder of the term mentioned in the Lease, and all renewals and extensions of the Lease term.

2. No Default. Lessee is not now in default in the performance of the Lease; and Lessee and Lessor will each perform the covenants and conditions required of them by the Lease for the term of the Loan and any extensions or renewals of it.

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3. Modification to Lease. Except as otherwise herein permitted, Lessee and Lessor will not, alone or by agreement between them, modify or terminate the Lease without consent of Assignee. Lessee and Lessor may, at their discretion, modify the amount of rent paid by Lessor under the Lease provided that the modified amount (1) shall never be less than the original amount specified in the Lease and (2) shall be sufficient to cover Lessor's expenses related to the Leased Premises including, but not limited to, Lessor's total debt service for the Lease Premises, expenditures for insurance, real and personal property taxes, and expenditures for maintaining the condition and value of the Leased Premises. Under no circumstances shall the rental amount exceed the amount ordinary and reasonable for like space under rental market conditions existing at the time of modification.

4. Notice of Default. Lessee and Lessor shall give to Assignee prompt written notice of any default by the other party to the Lease. This notice shall specify the nature of the default and shall be mailed to Assignee at:

GREATER SALT LAKE BUSINESS DISTRICT
7050 Union Park Center
Suite 570
Midvale, Utah 84047

and

SMALL BUSINESS ADMINISTRATION
Federal Building Room 2237
125 South State Street
Salt Lake City, Utah 84138

5. Cure of Default. Notwithstanding any provision of the Lease to the contrary, should any default under the Lease occur, Assignee shall have sixty (60) days after receipt of notice pursuant to Paragraph 4, at the sole option and discretion of Assignee, to cure the default. If the nature of the default is such that it cannot reasonably be cured within a sixty (60) day period, Assignee shall have additional time reasonably necessary to cure the default. During this 60 day or reasonable period neither Lessee nor Lessor will take action without Assignee's written consent to enforce any claim arising from the default.

6. Assignee's Rights upon Default. In the event of default by Lessee in the performance of any of the obligations under the terms of the Loan, including but not limited to provisions of the note to Assignee evidencing the Loan, any renewal or extension thereof, or any other agreement made in connection therewith, including Lessee's agreements herein, Assignee may, at its option and discretion, without notice, using such force as may be necessary, enter the Leased Premises and do any one or more of the following:

- a. Remove all property of Lessee therefrom that is hypothecated as collateral for the Loan;
- b. Sell the property referred to in paragraph a. on the Leased premises;
- c. Transfer and assign the Lease and Lessee's rights therein to parties satisfactory to

Assignee, and upon assignment, the obligations of the Lease shall be binding on the transferee.

In the event Assignee shall only undertake the options provided in paragraph a. or b., it shall have no obligation other than payment of rent accruing during the period of its possession of the Leased Premises. In the event Assignee shall transfer the Lease as provided in paragraph c., Assignee will cure all defaults in the Lease, and its sole other obligation shall be the payment of rent which accrued prior to the transfer of the Lease.

7. Subordination of Lessor's Lien. Lessor agrees to, and does hereby, subordinate any lien Lessor may now or hereafter have on the property of Lessee that is now or hereafter security for the Loan to Assignee's lien or liens on said property and to Assignee's rights herein.

8. Representation of Ownership. Lessor hereby represents and warrants that title to the Leased

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Premises is held by Lessor in fee simple and that Lessor has full power and authority to enter into this Agreement.

9. Subordination of Lease. All rights under the Lease together with any and all right, interest, estate, title, lien, or charge against or respecting the Leased Premises (or any portion thereof) by virtue of the Lease, shall be and the same are hereby made subject, subordinate, inferior, and junior to the lien and title of Assignee represented by Assignee's Note and security instruments related to the Loan, including without limitation the Promissory Note, Deed of Trust, Security Agreement and UCC Financing Statements (filed with the Uniform Commercial Code Division for the State of Utah and as fixture filings in Salt Lake County, Utah) (the "Loan Documents") and to all rights, powers, title, and authority of Assignee under or in any way related to or arising out of the Loan Documents and to all sums heretofore or hereafter advanced on the security of the Loan Documents or any of them, including all sums advanced or costs incurred as fees, expenses, disbursements, or charges in connection with the Loan Documents or the Loan. The Lease Rights, together with any and all right, interest, estate, title, lien, or charge against or respecting the Leased Premises (or any portion thereof) by virtue of the Lease, are hereby subordinated to the Loan Documents the same and as fully as if the Loan Documents had been executed and delivered (and recorded or filed, as applicable, in the case of those Loan Documents identified in Paragraph E hereof as items (ii), (iv), and (v)) prior to execution, delivery and filing of the Lease and the same and as fully as if the Loan Documents had been joined in and executed by Lessee (as well as by each of the persons who in fact is a party to the Loan Document concerned).

10. This Agreement shall be binding upon and inure to the benefit of the personal representatives, successors and assigns of the parties hereto.

Dated May 27, 1997.

LESSOR:

PARKWAY ASSOCIATES, L.L.C.

By: Erica S. Nordquist
Erica S. Nordquist, Manager

LESSEE:

APPLIED GEOTECHNICAL ENGINEERING CONSULTANTS, INC.

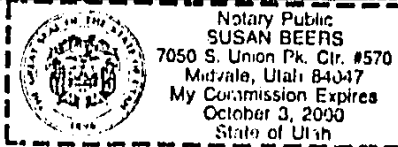
By: James E. Nordquist
James E. Nordquist, President

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LEASE ASSIGNMENT NOTARY PAGE

LIMITED LIABILITY COMPANY ACKNOWLEDGEMENT

STATE OF UTAH)
): ss.
County of Salt Lake)



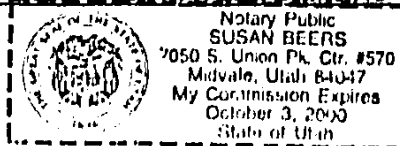
On May 27, 1997, personally appeared before me Erica S. Nordquist, who being by me duly sworn, did say that she is the Manager of Parkway Associates, L.L.C. , a Utah limited liability company and that the foregoing, attached instrument was signed and acknowledged in behalf of said limited liability company by authority of its articles of organization and the said Erica S. Nordquist acknowledged to me that said limited liability company executed the same.

Susan Beers

NOTARY PUBLIC

CORPORATE ACKNOWLEDGEMENT

STATE OF UTAH)
): ss.
County of Salt Lake)



On May 27, 1997, personally appeared before me James E. Nordquist who being by me duly sworn, did say that he is the President of Applied Geotechnical Engineering Consultants, Inc., a Utah corporation, and that the foregoing, attached instrument was signed and acknowledged in behalf of the corporation by authority of a resolution of its board of directors, and the said James E. Nordquist acknowledged to me that the corporation executed the same.

Susan Beers

NOTARY PUBLIC

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EXHIBIT "A"
(Property Description)

That certain parcel of real property situated in Salt Lake County, State of Utah and more particularly described as follows:

BEGINNING at a point on the North line of Sandy Parkway, a roadway dedicated by Entry No. 3698852, Book 82-8, on Page 65, on August 3, 1982; said point also being on the top of the back of the curb at a point North 1157.744 feet and East 482.547 feet from the Southwest corner of Section 36, Township 2 South, Range 1 West, Salt Lake Base and Meridian; running thence North 59°57'35" West 71.35 feet; thence North 07°07'59" East 332.816 feet; thence North 28°32'28" East 73.093 feet; thence South 41°02'41" East 12.30 feet; thence North 58°44'23" East 28.00 feet; thence South 29°55'32" East 56.508 feet; thence South 89°50'46" East 139.083 feet to the Westerly right of way line of Allen Street; said point also being 8.50 feet West of the top of back of an existing concrete highback curb and gutter; thence South 196.918 feet along the Westerly right of way line of Allen Street, parallel and 8.50 feet West of the existing curb and gutter; thence Southwesterly, 257.398 feet along the arc of a 490.935 foot radius curve to the right (Note: Chord bears South 15°01'13" West 254.46 feet), 8.50 feet West of the existing curb and gutter; thence Southwesterly 39.266 feet along the arc of a 25.00 foot radius curve to the right (Note: Chord bears South 75°02'42" West 35.352 feet); the right of way line transitions from 8.50 feet West of the existing curb and gutter to being on the back of the curb and gutter on Sandy Parkway; thence North 59°57'35" West 131.307 feet along the back of the existing concrete curb and gutter to the point of BEGINNING.

POUR COPY
CD. RECORDER

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