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 3/23/2010 8:40:00 AM \$31.00  
 Book - 9812 Pg - 3229-3238  
 Gary W. Ott  
 Recorder, Salt Lake County, UT  
 LANDMARK TITLE  
 BY: eCASH, DEPUTY - EF 10 P.

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

WELLS FARGO BANK, NATIONAL ASSOCIATION  
 Real Estate Group (AU #07572)  
 1512 Eureka Road, Suite 350  
 Roseville, California 95661

Attn: Eileen Oquendo  
 Loan No. 102006

**SUBORDINATION AGREEMENT; ACKNOWLEDGMENT OF LEASE ASSIGNMENT,  
 ESTOPPEL,  
 ATTORNMENT AND NON-DISTURBANCE AGREEMENT  
 (Lease To Deed of Trust)**

**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 AGREEMENT; ACKNOWLEDGMENT OF LEASE ASSIGNMENT, ESTOPPEL, ATTORNMENT AND NON-DISTURBANCE AGREEMENT ("Agreement") is made as of February 17, 2010, by and among BOYER QUARRY BEND, L.C., a Utah limited liability company ("Landlord"), HOBBY LOBBY STORES, INC., an Oklahoma corporation ("Tenant") and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender").

**RECITALS**

- A. Pursuant to the terms and provisions of a Lease Agreement dated as of June 19, 2009 ("Lease"), Landlord, as "Landlord", granted to Tenant a leasehold estate in and to certain premises described therein (the "Premises"), which Premises constitute 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").
- B. Landlord has executed, or proposes to execute, a construction deed of trust with absolute assignment of leases and rents, security agreement and fixture filing ("Deed of Trust") securing, among other things, a promissory note ("Note") dated June 3, 2009, in favor of Lender, which Note is payable with interest and upon the terms and conditions described therein ("Loan"). The Deed of Trust is recorded as an encumbrance against the Property.
- C. As a condition to making the Loan secured by the Deed of Trust, Lender requires that the Deed of Trust be unconditionally and at all times remain a lien on the Property, prior and superior to all the rights of Tenant under the Lease and that the Tenant specifically and unconditionally subordinate the Lease to the lien of the Deed of Trust.
- D. Landlord and Tenant have agreed to the subordination, attornment and other agreements herein in favor of Lender.

NOW THEREFORE, for valuable consideration and to induce Lender to make the Loan, Landlord and Tenant hereby agree for the benefit of Lender as follows:

1. **SUBORDINATION.** Landlord and Tenant hereby agree that:
  - 1.1 **Prior Lien.** The Deed of Trust securing the Note in favor of Lender, and any modifications, renewals or extensions thereof (including, without limitation, any modifications, renewals or extensions with respect to any additional advances made subject to the Deed of Trust), shall unconditionally be and at all times remain a lien on the Property prior and superior to the Lease;
  - 1.2 **Subordination.** Lender would not make the Loan without this agreement to subordinate; 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 Deed of Trust and shall supersede and cancel, but only insofar as would affect the priority between the Deed of Trust 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 or to a mortgage or mortgages.

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

  - 1.4 **Use of Proceeds.** Lender, in making disbursements pursuant to the Note, the Deed of Trust or any loan agreements with respect to the Property, is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat this agreement to subordinate in whole or in part;
  - 1.5 **Waiver, Relinquishment and Subordination.** Tenant intentionally and unconditionally waives, relinquishes and subordinates all of Tenant's right, title and interest in and to the Property to the lien of the Deed of Trust 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, 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.** Tenant acknowledges and consents to the assignment of the Lease by Landlord in favor of Lender.
3. **ESTOPPEL.** Tenant acknowledges and represents that:
  - 3.1 **Lease Effective.** The Lease has been duly executed and delivered by Tenant and, subject to the terms and conditions thereof, the Lease is in full force and effect, the obligations of Tenant thereunder are valid and binding and there have been no modifications or additions to the Lease, written or oral;
  - 3.2 **No Default.** To the best of Tenant's knowledge, as of the date hereof: (i) there exists no breach, default, or event or condition which, with the giving of notice or the passage of time or both, would constitute a breach or default under the Lease; and (ii) there are no existing claims, defenses or offsets against rental due or to become due under the Lease excepting the Construction Allowance as set forth in 2.1 of the Lease;
  - 3.3 **Entire Agreement.** The Lease constitutes the entire agreement between Landlord and Tenant with respect to the Property and Tenant claims no rights with respect to the Property other than as set forth in the Lease; and

- 3.4 **No Prepaid Rent.** No deposits or prepayments of rent have been made in connection with the Lease, except as follows: (if none, state "None") None.
4. **ADDITIONAL AGREEMENTS.** Tenant covenants and agrees that, during all such times as Lender is the Beneficiary under the Deed of Trust:
- 4.1 **Modification, Termination and Cancellation.** Tenant will not consent to any modification, amendment, termination or cancellation of the Lease (in whole or in part) without Lender's prior written consent and will not make any payment to Landlord in consideration of any modification, termination or cancellation of the Lease (in whole or in part) without Lender's prior written consent;
- 4.2 **Notice of Default.** Tenant will notify Lender in writing concurrently with any notice given to Landlord of any default by Landlord under the Lease, and Tenant agrees that Lender has the right (but not the obligation) to cure any breach or default specified in such notice within the time periods set forth below and Tenant will not declare a default of the Lease, as to Lender, if Lender cures such default within fifteen (15) days from and after the expiration of the time period provided in the Lease for the cure thereof by Landlord; provided, however, that if such default cannot with diligence be cured by Lender within such fifteen (15) day period, the commencement of action by Lender within such fifteen (15) day period to remedy the same shall be deemed sufficient so long as Lender pursues such cure with diligence;
- 4.3 **No Advance Rents.** Tenant 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
- 4.4 **Assignment of Rents.** Upon receipt by Tenant of written notice from Lender that Lender has elected to terminate the license granted to Landlord to collect rents, as provided in the Deed of Trust, and directing the payment of rents by Tenant to Lender, Tenant shall comply with such direction to pay and shall not be required to determine whether Landlord is in default under the Loan and/or the Deed of Trust.
5. **ATTORNMEN T.** In the event of a foreclosure under the Deed of Trust, Tenant agrees for the benefit of Lender (including for this purpose any transferee of Lender or any transferee of Landlord's title in and to the Property by Lender's exercise of the remedy of sale by foreclosure under the Deed of Trust) as follows:
- 5.1 **Payment of Rent.** Tenant shall pay to Lender all rental payments required to be made by Tenant pursuant to the terms of the Lease for the duration of the term of the Lease;
- 5.2 **Continuation of Performance.** Tenant shall be bound to Lender in accordance with all of the provisions of the Lease for the balance of the term thereof, and Tenant 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 Landlord's interest in the Lease and giving written notice thereof to Tenant;
- 5.3 **No Offset.** Lender shall not be liable for, nor subject to, any offsets or defenses which Tenant may have by reason of any act or omission of Landlord under the Lease, nor for the return of any sums which Tenant may have paid to Landlord under the Lease as and for security deposits, advance rentals or otherwise, except to the extent that such sums are actually delivered by Landlord to Lender; and
- 5.4 **Subsequent Transfer.** If Lender, by succeeding to the interest of Landlord under the Lease, should become obligated to perform the covenants of Landlord thereunder, then, upon any further transfer of Landlord's interest by Lender, all of such obligations shall terminate as to Lender.

6. **NON-DISTURBANCE.** In the event of a foreclosure under the Deed of Trust, so long as there shall then exist no breach, default, or event of default on the part of Tenant under the Lease, Lender agrees for itself and its successors and assigns that the leasehold interest of Tenant 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 Tenant as tenant under the Lease subject to the terms and provisions of the Lease except as modified by this Agreement; provided, however, that Tenant and Lender agree that the following provisions of the Lease (if any) shall not be binding on Lender: any option to purchase with respect to the Property; any right of first refusal with respect to the Property; and any provision regarding the use of insurance proceeds or condemnation proceeds with respect to the Property which is inconsistent with the terms of the Deed of Trust.

7. **MISCELLANEOUS.**

- 7.1 **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; and
- 7.2 **Notices.** All notices or other communications required or permitted to be given pursuant to the provisions hereof shall be deemed served upon delivery or, if mailed by certified mail, postage prepaid, or by overnight courier, upon receipt and addressed to the address of Tenant or Lender appearing below:

"LANDLORD"

Boyer Quarry Bend, L.C.  
c/o The Boyer Company  
90 South 400 West, Suite 200  
Salt Lake City, Utah 84101-1365

"LENDER"

Real Estate Group (AU #07572)  
1512 Eureka Road, Suite 350  
Roseville, California 95661

Attn: Eileen Oquendo  
Loan No. 102006

"TENANT"

Hobby Lobby Stores, Inc.,  
7707 S.W. 44<sup>th</sup> Street  
Oklahoma City, Oklahoma 73179  
Attn: Real Estate Department

provided, however, any party shall have the right to change its address for notice hereunder by the giving of written notice thereof to the other party in the manner set forth in this Agreement; and

- 7.3 **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; and

- 7.4 **Remedies Cumulative.** All rights of Lender herein to collect rents on behalf of Landlord 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 and Landlord or others; and
- 7.5 **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.

**INCORPORATION.** Exhibit A is attached hereto and incorporated herein by this reference.

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

**NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.**

**IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT HERETO.**

*[Signature Pages to Follow]*

**LENDER'S SIGNATURE PAGE:**

**LENDER:**

WELLS FARGO BANK, NATIONAL ASSOCIATION

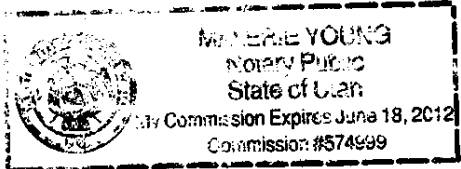
By: *[Signature]*  
Name: **PAUL K. MENDENHALL**  
Title: **RELATIONSHIP MANAGER**

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

The foregoing instrument was acknowledged before me this 25 day of February, 2010, by Paul Mendenhall, R.M. of Wells Fargo Bank, National Association.

*[Signature]*  
Notary Public  
Residing at: Salt Lake City

My commission expires: 6-18-12



TENANT'S SIGNATURE PAGE:

If this document is not returned to Tenant fully executed by April 30, 2010 Tenant will consider it **NULL AND VOID** and of no further effect.

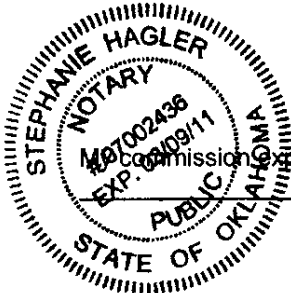
TENANT:

HOBBY LOBBY STORES, INC.,  
an Oklahoma corporation

By: [Signature]  
Name: Steven T Green  
Title: President

STATE OF Oklahoma )  
COUNTY OF Oklahoma ) ss:

The foregoing instrument was acknowledged before me this 22<sup>nd</sup> day of February, 2010, by Steven T. Green President of Hobby Lobby Stores Inc an Oklahoma corporation



[Signature]  
Notary Public  
Residing at: 2708 NW 1101st St, Edmond, OK 73013

**LANDLORD'S SIGNATURE PAGE:**

**LANDLORD:**

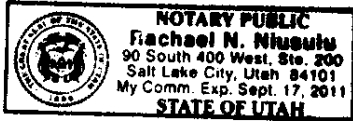
BOYER QUARRY BEND, L.C.,  
a Utah limited liability company

By: The Boyer Company,  
a Utah limited liability company  
Its Manager

By: [Signature]  
Name: Dan Glan  
Title: Manager

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

The foregoing instrument was acknowledged before me this 23<sup>rd</sup> day of February, 2010, by Dan Glan the manager of The Boyer Company, a Utah limited liability company, Manager of Boyer Quarry Bend, L.C., a Utah limited liability company.



[Signature]  
Notary Public  
Residing at: Salt Lake City

My commission expires:  
9-17-11



**DESCRIPTION OF PROPERTY**

EXHIBIT A to Subordination Agreement; Acknowledgment of Lease Assignment, Estoppel, Attornment and Non-Disturbance Agreement dated as of February 17, 2010, executed by WELLS FARGO BANK, NATIONAL ASSOCIATION, as "Lender", HOBBY LOBBY STORES, INC., an Oklahoma corporation, as "Tenant", and BOYER QUARRY BEND, L.C., a Utah limited liability company, as "Landlord".

All that certain real property located in the County of Salt Lake, State of Utah, described as follows:

**PARCEL 1:**

Lot 5, **QUARRY BEND SUBDIVISION**, according to the official plat thereof, filed in Book "2005P" of Plats, at Page 392 of the Official Records of the Salt Lake County Recorder.

**EXCEPTING FROM PARCEL 1 ABOVE ANY PORTION THEREOF WITHIN THE TRACT IDENTIFIED AND DESCRIBED AS "ROAD DEDICATION B" IN THAT CERTAIN PLAT ENTITLED "ROAD DEDICATION SR-209" RECORDED JUNE 15, 2006 AS ENTRY NO. 9754372, IN BOOK 2006P OF PLATS, AT PAGE 168 OF THE OFFICIAL RECORDS OF THE SALT LAKE COUNTY RECORDER.**

Tax Parcel No. 28-05-331-002

**PARCEL 2:**

**"NEW LOT 3, QUARRY BEND SUBDIVISION":**

All that land being part of Quarry Bend Subdivision, recorded as Entry No. 9575193 in Book 2005P, at Page 392 of the official records of the Salt Lake County Recorder; in the State of Utah, County of Salt Lake, City of Sandy, being part of Section 5, Township 3 South, Range 1 East, Salt Lake Base and Meridian; being more particularly described as follows:

Beginning at a point on the South Line of said Subdivision located 820.81 feet South 89°06'33" East along the Section Line and 91.73 feet North from the South Quarter Corner of said Section 5; and running thence North 0°00'03" West 91.04 feet to a point of curvature; thence Northwesterly along the arc of a 225.00 foot radius curve to the left a distance of 213.61 feet (Central Angle equals 54°23'46"; and Long Chord bears North 27°11'56" West 205.68 feet) to a point of reverse curvature; thence Northwesterly along the arc of a 1500.00 foot radius curve to the right a distance of 116.54 feet (Central Angle equals 4°27'05"; and Long Chord bears North 52°10'17" West 116.51 feet); thence North 39°17'17" East 30.25 feet to the Westerly Line of Lot 3 of said Subdivision; thence along said Westerly Lines of said Lot 3 the following two courses: North 50°59'35" West 22.80 feet to the most Westerly Corner thereof; and North 39°00'26" East 50.22 feet; thence South 89°45'08" East 495.31 feet along the Southerly Line of Lot 1 of said Quarry Bend Subdivision; thence North 0°17'59" East 35.95 feet; thence South 89°42'01" East 119.62 feet; thence South 1°32'10" West 156.25 feet; thence South 7°27'07" West 151.14 feet; thence South 9°17'57" West 90.28 feet; thence South 15°55'37" West 47.56 feet; thence South 21°06'01" West 31.55 feet to the South Line of said Subdivision; thence along said South Line the following three courses: North 89°06'33" West 166.01 feet; North 86°49'06" West 200.22 feet to a point of curvature; and Northwesterly along the arc of a 788.05 foot radius curve to the right a distance of 33.45 feet (Center bears North 0°53'28" East; Central Angle equals 2°25'55"; and Long Chord bears North 87°53'34" West 33.45 feet) to the point of beginning.

[The said "New Lot 3, Quarry Bend Subdivision" being identified and depicted on that certain plat entitled "Notice of Approval of Lot Line Adjustment - Quarry Bend Subdivision", dated September 17, 2009 (certificate dated October 21, 2009), prepared by Great Basin Engineering-South, as Drawing 07-05BLA3, certified by Bruce D. Pimper, Utah RLS No. 362256, and recorded December 2, 2009 as Entry No. 10850684, in Book 2009P, at Page 174 in the office of the Salt Lake County Recorder.]

Tax Parcel No. 28-05-451-009 / Tax Parcel No. 28-05-451-013

**PARCEL 3:**

**"NEW LOT 8, QUARRY BEND SUBDIVISION":**

A part of the Southeast Quarter of Section 5, Township 3 South, Range 1 East, Salt Lake Base and Meridian, U.S. Survey in Salt Lake County, Utah:

Beginning at a point on the Northerly Line of 9400 South Street located 820.81 feet South 89°06'33" East along the Section Line; and 91.73 feet North from the South Quarter Corner of said Section 5; and running thence along said Northerly Line of 9400 South Street the following five courses: Northwestery along the arc of a 788.05 foot radius curve to the right a distance of 146.61 feet (Center bears North 3°19'23" East; Central Angle equals 10°39'34" and Long Chords bears North 81°20'50" West 146.40 feet; North 0°14'51" East 10.30 feet; Northwestery along the arc of a 778.05 foot radius curve to the right a distance of 31.99 feet (Center bears North 14°09'45" East; Central Angle equals 2°21'21" and Long Chord bears North 74°39'34" West 31.99 feet); North 61°40'05" West 116.01 feet; and Northwestery along the arc of an 893.50 foot radius curve to the right a distance of 80.71 feet (Center bears North 25°56'30" East; Central Angle equals 5°10'33" and Long Chord bears North 61°28'14" West 80.69 feet); thence along the Southeasterly Line of a Public Road as widened the following two courses: North 13°39'11" East 18.20 feet; and North 39°17'17" East 249.85 feet; thence Southeasterly along the arc of a 1500.00 foot radius curve to the left a distance of 116.54 feet (Center bears North 40°03'16" East; Central Angle equals 4°27'05" and Long Chord bears South 52°10'17" East 116.51 feet) to a point of reverse curvature; thence Southeasterly along the arc of a 225.00 foot radius curve to the right a distance of 213.61 feet (Central Angle equals 54°23'46" and Long Chord bears South 27°11'56" East 205.68 feet) to a point of tangency; thence South 0°00'03" East 91.04 feet to the point of beginning.

[The said "New Lot 8, Quarry Bend Subdivision" being identified and depicted on that certain plat entitled "Notice of Approval of Lot Line Adjustment - Quarry Bend Subdivision", dated September 17, 2009 (certificate dated October 21, 2009), prepared by Great Basin Engineering-South, as Drawing 07-05BLA3, certified by Bruce D. Pimper, Utah RLS No. 362256, and recorded December 2, 2009 as Entry No. 10850684, in Book 2009P, at Page 174 in the office of the Salt Lake County Recorder.]

Tax Parcel No. 28-05-452-002 / Tax Parcel No. 28-05-451-012

**PARCEL 4:**

**"NEW LOT 10, QUARRY BEND SUBDIVISION":**

All that land being part of Quarry Bend Subdivision, recorded as Entry No. 9575193 in Book 2005P, at Page 392 of the official records of the Salt Lake County Recorder; in the State of Utah, County of Salt Lake, City of Sandy, being part of Section 5, Township 3 South, Range 1 East, Salt Lake Base and Meridian; being more particularly described as follows:

Beginning at a point located 1320.05 feet South 89°06'33" East along the Section Line; 832.63 feet North 0°26'14" East along the Sixteenth Section Line; and 17.09 feet North 89°45'09" West from the South Quarter Corner of said Section 5; and running thence South 15°30'00" East 34.86 feet to a point of curvature; thence Southerly along the arc of a 135.00 foot radius curve to the right a distance of 94.98 feet (Central Angle equals 40°18'42"; and Long Chord bears South 4°39'21" West 93.04 feet) to a point of reverse curvature; thence Southwesterly along the arc of a 295.00 foot radius curve to the left a distance of 119.84 feet (Central Angle equals 23°16'32"; and Long Chord bears South 13°10'26" West 119.02 feet); thence South 1°32'10" West 35.59 feet; thence North 89°42'01" West 119.62 feet; thence North 0°17'59" East 277.79 feet; thence South 89°45'09" East 144.48 feet to the point of beginning.

[The said "New Lot 10, Quarry Bend Subdivision" also being identified and depicted on that certain plat entitled "Notice of Approval of Lot Line Adjustment - Quarry Bend Subdivision", dated September 17, 2009 (certificate dated October 21, 2009), prepared by Great Basin Engineering-South, as Drawing 07-205BLA3, certified by Bruce D. Pimper, Utah RLS No. 362256, and recorded December 2, 2009 as Entry No. 10850684, in Book 2009P, at Page 174 in the office of the Salt Lake County Recorder.]

Tax Parcel No. 28-05-451-010 / Tax Parcel No. 28-05-451-011