

After Recording, Return to:

DLA Piper LLP (US)  
1251 Avenue of the Americas, 27th Floor  
New York, New York 10020-1104  
Attn: Jeffrey B. Steiner, Esq.

11960394  
12/11/2014 4:15:00 PM \$23.00  
Book - 10281 Pg - 2501-2507  
Gary W. Ott  
Recorder, Salt Lake County, UT  
FOUNDERS TITLE  
BY: eCASH, DEPUTY - EF 7 P.

### SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") made as of the 31<sup>st</sup> day of October, 2014, by and between Cantor Commercial Real Estate Lending, L.P., a Delaware limited partnership, whose address for notice under this Agreement is 110 East 59<sup>th</sup> Street, 6<sup>th</sup> Floor, New York, New York 10022, Attention: Legal Department ("Lender"), and Ethan Allen Retail, Inc., as Assignee of Watson Investments, LLC, Assignor, whose address for Notice under this Agreement is Ethan Allen Drive, P.O. Box 1966, Danbury Connecticut 06813-1966, Attn: Executive Vice President, Administration with a simultaneous copy to Ethan Allen Drive, P.O. Box 1966, Danbury Connecticut 06813-1966, Attn: Vice President and General Counsel ("Tenant").

#### Statement of Background

A. Lender has agreed to make a loan to the owner of the Property (as defined below) ("Landlord"), which will be evidenced by a promissory note (the "Note") made by Landlord to order of Lender and will be secured by, among other things, a mortgage or deed of trust, assignment of rents and leases, collateral assignment of property agreements, security agreement and fixture filing (the "Security Instrument") made by Landlord for the benefit of Lender covering the land (the "Land") described on Exhibit A attached hereto and all improvements (the "Improvements") now or hereafter located on the land (the Land and the Improvements hereinafter collectively referred to as the "Property").

B. Tenant, by means of an Assignment dated August 27, 2014 from Watson Investments, LLC to Ethan Allen Retail, Inc. (the "Assignment"), is the tenant or lessee under a lease dated as of August 18, 2008 (which lease, has been amended, modified, supplemented or extended as set forth more fully in the Tenant Estoppel Certificate dated October 27, 2014, is hereinafter called the "Lease"), covering approximately 20,000 square feet of space located in the Improvements (the "Premises"). Tenant has no knowledge whether there exist any other agreements which are binding upon the Landlord in connection with the Property. Tenant has no knowledge of any agreements, offsets, credits, defaults or claims of any sort whatsoever (collectively, "Claims") which Watson Investments, LLC may have against Landlord.

C. The parties hereto desire to make the Lease subject and subordinate to the Security Instrument in accordance with the terms and provisions of this Agreement

#### Statement of Agreement

For and in consideration of the mutual covenants herein contained, the sum of Ten Dollars (\$10.00) and other good and valuable considerations, the receipt and sufficiency of

which are hereby acknowledged, and notwithstanding anything in the Lease to the contrary, it is hereby agreed as follows:

1. Subject to and limited by the terms and conditions of this Agreement as hereinafter provided, Lender, Tenant and Landlord do hereby covenant and agree that the Lease with all rights, options (including options to acquire or lease all or any part of the Premises), liens and charges created thereby, is and shall continue to be subject and subordinate in all respects to the Security Instrument and to any renewals, modifications, consolidations, replacements and extensions thereof and to all advancements made thereunder (collectively, the "Security Agreement"); provided, however, if there are any inconsistencies under the Lease and Landlord's and/or Lender's, or any subsequent purchaser's obligations under the Security Agreement, the Lease shall control

2. Lender does hereby agree with Tenant that, in the event Lender becomes the owner of the Premises by foreclosure, conveyance in lieu of foreclosure or otherwise, so long as Tenant complies with and performs its obligations under the Lease, (a) the Lease shall continue in full force and effect as a direct Lease between the succeeding owner of the Property and Tenant, upon and subject to all of the terms, covenants and conditions of the Lease, for the balance of the term of the Lease (and any extensions, options or other rights of any sort whatsoever), and Lender or succeeding owner of the Property will not disturb the possession of Tenant, and (b) the Premises shall be subject to the Lease and Lender shall recognize Tenant as the tenant of the Premises in accordance with the provisions of the Lease; provided, however, that Lender shall not be subject to any claims, offsets or defenses which Tenant might have against any prior landlord (including Landlord) in existence prior to the date of this Agreement, nor shall Lender be liable for any act or omission of any prior landlord (including Landlord) in existence prior to the date of this Agreement, nor shall Lender be bound by any rent or additional rent which Tenant might have paid for more than the current month or any security deposit or other prepaid charge paid to any prior landlord (including Landlord), except to the extent in each case actually received by Lender, nor shall it be bound by any amendment or modification of the Lease made without its written consent subsequent to the date of this Agreement. In the event any proceedings are brought for (i) foreclosure and sale or other suit, sale, or proceeding under the Deed of Trust, or (ii) a deed in lieu of foreclosure, hereinafter referred to collectively as "Foreclosure," Lender agrees, so long as Tenant is not in default under the Lease beyond any period given Tenant to cure such default, after notice required by the Lease, that:

(a) Tenant's possession of the Premises and its rights under the Lease shall not be disturbed by Lender or any successor or assign, or any purchaser at Foreclosure, hereinafter referred to as the "Purchaser;"

(b) Tenant shall not be made a party to any Foreclosure, and the same shall not affect Tenant's rights under the Lease;

(c) The lien of the Security Agreement shall not encumber any displays, samples, inventory, trade fixtures or equipment used by Tenant in its business on the Premises

3. Tenant does hereby agree with Lender that, in the event Lender becomes the owner of the Premises by foreclosure, conveyance in lieu of foreclosure or otherwise, then

Tenant shall attorn to and recognize Lender as the landlord under the Lease for the remainder of the term thereof, and Tenant shall perform and observe its obligations thereunder, subject only to the terms and conditions of the Lease. Tenant further covenants and agrees to execute and deliver upon request of Lender an appropriate agreement of attornment to Lender and any subsequent titleholder of the Premises; provided, however, that such agreement of attornment shall be in form and substance reasonably satisfactory to Tenant.

4. Tenant acknowledges that Landlord will execute and deliver to Lender an assignment of the Lease and the rent and all other sums due thereunder as security for said loan by entering an Assignment of Leases and Rents ("**Assignment of Leases**"), and Tenant hereby expressly consents to such assignment. Tenant agrees to notify Lender of any default by Landlord under the Lease; Lender shall have the same right to cure such default as is provided to Landlord under the Lease. Provided that the Assignment of Leases contains Landlord's express agreement authorizing such action, (a) in the event that Lender notifies Tenant of a default under the Security Agreement and/or the Assignment of Leases and demands that Tenant pay its rent and all other sums due under the Lease to Lender, Tenant shall honor such demand and pay its rent and all other sums due under the Lease directly to Lender or as otherwise required pursuant to such notice, and (b) Landlord shall have no claim against Tenant for any amounts paid to Lender pursuant to any such notice.

5. Lender shall have no obligation or incur any liability with respect to the construction or completion of the improvements in which the Premises are located or for completion of the Premises or any improvements for Tenant's use and occupancy. Lender shall have no obligations nor incur any liability with respect to any warranties of any nature whatsoever, including, without limitation, any warranties respecting use, compliance with zoning, habitability, or fitness for purpose or possession of the Premises other than as set forth in the Lease.

6. Intentionally Omitted.

7. If any portion or portions of this Agreement shall be held invalid or inoperative, then all of the remaining portions shall remain in full force and effect, and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion or portions held to be invalid or inoperative.

8. This Agreement shall be governed by and construed in accordance with the laws of the State in which the Property is located.

9. Lender shall not, either by virtue of the Security Agreement, the Assignment of Leases or this Agreement, be or become a mortgagee in possession or be or become subject to any liability or obligation under the Lease or otherwise until Lender shall have acquired the interest of Landlord in the Premises, by foreclosure or otherwise, and then such liability or obligation of Lender under the Lease shall extend only to those liability or obligations accruing subsequent to the date that Lender has acquired the interest of Landlord in the Premises as modified by the terms of this Agreement.

10. All notices or other communications required or permitted to be given pursuant to this Agreement ("Notice") shall be in writing and shall be considered as properly given if (a) mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested; (b) by delivering same in person to the intended addressee; or (c) by delivery to an independent third party commercial delivery service for same day or next day delivery and providing for evidence of receipt at the office of the intended addressee. Notice so mailed shall be effective upon its deposit with the United States Postal Service or any successor thereto; notice sent by a commercial delivery service or by personal delivery shall be effective only if and when received by the addressee; and notice given by other means shall be effective only if and when received at the office or designated address of the intended addressee. For purposes of notice, the addresses of the parties shall be as set forth above; provided, however, that every party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days prior written Notice to the other parties in the manner set forth herein.

11. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, successors-in-title and assigns. When used herein, the term "Landlord" refers to Landlord and to any successor to the interest of Landlord under the Lease, and the term "Lender" refers to Lender and to any successor-in-interest of Lender under the Mortgage.


12. This Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more additional signature pages.

[NO FURTHER TEXT ON THIS PAGE. SIGNATURE PAGES FOLLOW]

Lender, Landlord and Tenant have executed this Agreement as of the day, month and year first written above.

LENDER

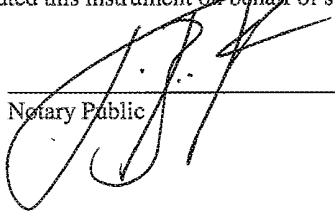
Cantor Commercial Real Estate Lending, L.P.,  
a Delaware limited partnership,

By:   
Name: \_\_\_\_\_  
Title: Pietro Scola  
Senior Managing Director

(SEAL)

STATE OF New York  
COUNTY OF New York ss:

On this 19 day of November, 2014, before me, a Notary Public, in and for said county, personally came Lawrence Entwien and, as Sr. Managing Director of Cantor Commercial Real Estate Lending, L.P., the corporation in and which executed this instrument as Lender, and that such parties executed this instrument on behalf of such corporation.

  
\_\_\_\_\_  
Notary Public

**W. TURNER BOOTH**  
Notary Public, State of New York  
No. 02BO6270194  
Qualified in New York County  
Certificate filed in New York County  
Commission Expires October 15, 2016

[signatures continued on next page]

TENANT:

ETHAN ALLEN RETAIL, INC.,  
a Delaware Corporation \_\_\_\_\_

By: [Signature]  
Name: M. Farooq Kathwari  
Title: President, Chairman and Chief  
Executive Officer \_\_\_\_\_

STATE OF CONNECTICUT \_\_\_\_\_ )

COUNTY OF FAIRFIELD \_\_\_\_\_ )

ss.

This instrument was ACKNOWLEDGED before me on October 30 by M. Farooq Kathwari, the President, Chairman and Chief Executive Officer of Ethan Allen Retail, Inc., a Delaware Corporation, on behalf of said corporation..

[SEAL]

My Commission Expires:

3/31/17

[Signature]  
Notary Public, State of Connecticut

Printed Name of Notary Public

LEEANN ELIZABETH GILBERT  
NOTARY PUBLIC  
STATE OF CONNECTICUT  
My Commission Expires Mar. 31, ~~2012~~

2017

EXHIBIT "A"

Legal Description of the Demised Premises

A parcel of land located in the Northwest quarter of Section 18, Township 3 South, Range 1 East and the Northeast quarter of Section 13, Township 3 South, Range 1 West, Salt Lake Base and Meridian, Salt Lake County, Utah more particularly described as follows:

Beginning at a point on the East line of Section 13, said point being South 00°54'30" West 1100.10 feet from the Northeast Corner of said Section 13 and running thence South 89°59'00" East 21.65 feet; thence South 00°01'00" West 143.42 feet; thence North 89°59'00" West 57.18 feet; thence South 00°01'00" West 12.00 feet; thence North 89°59'00" West 45.00 feet; thence North 00°01'00" East 12.00 feet; thence North 89°59'00" West 74.16 feet; thence North 00°01'00" East 143.42 feet; thence South 89°59'00" East 154.69 feet to the East line of said Section 13 and to the POINT OF BEGINNING. Containing 0.593 acres (25,831 square feet), more or less.

Basis of bearing being the East line of the Northeast Quarter of Section 13, Township 3 South, Range 1 West, Salt Lake Base & Meridian, which has a bearing of South 00°54'30" West.

27.13.227.013.4001 & 4002