

14029193 B: 11379 P: 812 Total Pages: 9  
10/13/2022 12:14 PM By: kkennington Fees: \$40.00  
Rashelle Hobbs, Recorder, Salt Lake County, Utah  
Return To: COTTONWOOD TITLE INSURANCE AGENCY, INC.  
1996 EAST 6400 SOUTH SUITE 120 SALT LAKE CITY, UT 84121

After recording, return to:  
Scalley Reading Bates Hansen & Rasmussen, P.C.  
15 West South Temple, Suite 600  
Salt Lake City, Utah 84101  
APN: 16-04-400-013-0000

APN: 16-04-400-013-0000

155272-ETF



**SUBORDINATION, NONDISTURBANCE AND  
ATTORNMEN T AGREEMENT**

**NOTICE: THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMEN T AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMEN T AGREEMENT (this "**Agreement**") is made as of July 28, 2022, by and among **IVORY UNIVERSITY HOUSE, L3C**, a Utah low-profit limited liability company, ("**Landlord**"), **THE UNIVERSITY OF UTAH**, a body politic and corporate of the State of Utah ("**Tenant**"), and **WASHINGTON FEDERAL BANK**, a Washington state chartered commercial bank ("**Lender**").

**RECITALS:**

A. Lender has extended a loan to Landlord in the original principal amount of **Eighty One Million Five Hundred Thousand and no/100 Dollars (\$81,500,000.00)** (the "**Loan**").

B. The Loan is evidenced by a Promissory Note dated of May 12, 2022, made payable to Lender in the original principal amount of the Loan (as it may be amended, modified, extended, and renewed from time to time, the "**Note**"). As security for repayment of the Loan and Note and performance of Landlord's obligations to Lender, Lender has required that Landlord execute and deliver to Lender that certain Leasehold Deed of Trust, Assignment of Leases and Rents, Assignment of Contracts, Security Agreement, and Fixture Filing dated May 12, 2022 and recorded in the official records of the County Recorder of Salt Lake County, Utah, on May 12, 2022, Entry No. 13951002, in Book 11338 beginning at Page 3917 (as it may be amended, modified, extended, and renewed from time to time, the "**Deed of Trust**"), encumbering the Landlord's leasehold estate and interest in real property described on Exhibit A attached hereto and made a part hereof and all improvements thereon (the "**Real Estate**").

C. Pursuant to that certain Lease of Housing Units in Ivory University House by the University of Utah dated as of April 22, 2022, (the "**Lease**"), Tenant has leased some of the student housing units in the student housing project developed by Landlord on the Real Estate on the terms and conditions set forth in the Lease.

D. The parties desire to agree upon the relative priorities of their interests in the Real Estate and their rights and obligations if certain events occur.

**AGREEMENT:**

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties, the parties do hereby covenant and agree as follows:

1. Definitions. The following terms shall have the following meanings for purposes of this Agreement:

(a) "**Foreclosure Event**" means (i) judicial or non-judicial foreclosure under the Deed of Trust; (ii) any other exercise by Lender of rights and remedies (whether under the Deed of Trust or under applicable law, including bankruptcy

law) as holder of the Note and/or the Deed of Trust, as a result of which Successor Landlord becomes owner of the Real Estate; or (iii) delivery by trustee under the Deed of Trust ("**Trustee**") to Lender (or its designee or nominee) of a deed or other conveyance of Trustee's interest in the Real Estate in lieu of any of the foregoing.

(b) "**Successor Landlord**" means any party that becomes owner of the Real Estate as the result of a Foreclosure Event, including, but not limited to, Lender.

2. Subordination of Lease. The parties acknowledge and agree that the Lease is and shall be subject and subordinate, in right, interest, and lien, and for all purposes to the Deed of Trust, and to all renewals, modifications, consolidations, replacements, and extensions thereof, and to any subsequent deed of trust with which the Deed of Trust may be spread or consolidated, to the full extent of the principal sum and all other amounts secured thereby and interest thereon.

3. Nondisturbance and Attornment.

(a) No Exercise of Deed of Trust Remedies against Tenant. Lender acknowledges that Lender has not supplied Tenant with copies of the Note or the Deed of Trust or any of the other Loan documents (except this Agreement) and Lender agrees that Tenant is not a party to any of the terms, conditions, or covenants of the Note or the Deed of Trust or any of the other Loan documents (other than this Agreement), *provided, however*, Tenant acknowledges the Deed of Trust is recorded on the Real Estate and the Real Estate is subject to the terms and conditions of the Deed of Trust. In addition, so long as the Lease is in full force and effect and Tenant is not in default under the Lease beyond any applicable cure period, Lender shall not name or join Tenant as a defendant in any exercise of Lender's rights and remedies arising upon a default under the Deed of Trust unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or pursuing such rights and remedies. In the latter case, Lender may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action.

(b) Nondisturbance and Attornment. If the Lease has not been terminated, then, when Successor Landlord takes title to the Real Estate: (i) Successor Landlord shall not terminate or disturb Tenant's or any occupant's possession of Tenant's premises under the Lease, except in accordance with the terms of the Lease and this Agreement; (ii) Successor Landlord shall be bound to Tenant under all terms and conditions of the Lease (except as provided in this Agreement); (iii) Tenant shall recognize and attorn to Successor Landlord as Landlord under the Lease as affected by this Agreement as provided in **Section 4** herein; and (iv) the Lease shall continue in full force and effect as a direct lease, in accordance with its terms (except as provided in this Agreement), between Successor Landlord and Tenant.

(c) Further Documentation. The provisions of this Agreement shall be effective and self-operative without any need for Successor Landlord or Tenant to execute any further documents. Tenant and Successor Landlord shall, however, confirm the provisions of this Agreement in writing upon request by either of them.

4. Attornment. If Successor Landlord shall succeed to the interest of the Landlord under the Lease, and the Lease shall not have expired or been terminated in accordance with the terms of the Lease or this Agreement, Tenant shall, from and after such event, attorn to Successor Landlord, all rights and obligations under the Lease to continue as though the interest of Landlord had not terminated or such Foreclosure Event had not occurred. Such attornment shall be effective and self-operative without the execution of any further instrument on the part of the parties hereto. Tenant agrees, however, to execute and deliver at any time and from time to time, upon the request of Successor Landlord, any instrument or certificate which, in the sole judgment of Successor Landlord, may be necessary or appropriate in any such foreclosure proceeding or otherwise to evidence such attornment (and only such attornment).

5. Rights and Obligations of Successor Landlord under Lease. Successor Landlord in the event of attornment shall have the same remedies in the event of any default by Tenant (beyond any period given Tenant to cure such default) in the payment of any rent or additional rent or in the performance of any of the terms, covenants, and conditions of the Lease on Tenant's part to be performed that are available to Landlord under the Lease. Tenant shall have the same remedies against Successor Landlord for the breach of any agreement contained in the Lease that Tenant might have had against Landlord if Successor Landlord had not succeeded to the interest of Landlord; provided, however, that Successor Landlord shall not be:

- (a) liable for any act or omission of or any claims against any prior landlord (including Landlord); or
- (b) subject to any offsets or defenses which Tenant might have against any prior landlord (including

Landlord); or

(c) bound by any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord (including Landlord); or

(d) bound by any amendment or modification of the Lease, or waiver of any of its terms, made without its consent; or

(e) liable for any sum that any prior landlord (including Landlord) owed to Tenant, including without limitation any security deposit, unless the amount owed was actually delivered to Successor Landlord; or

(f) bound by any surrender, cancellation, or termination of the Lease, in whole or in part, agreed upon between Landlord and Tenant, provided, however, the parties acknowledge and agree that Successor Landlord shall be bound by any prior cancellation or termination of the Lease by Tenant for cause; or

(g) liable for any construction obligation or tenant improvement allowance obligation of any prior landlord (including Landlord); or

(h) liable for any breach of representation or warranty of any prior landlord (including Landlord); or

(i) liable for any damages or other relief attributable to any latent or patent defects in construction with respect to any portion of the Real Estate.

6. Exculpation of Successor Landlord. Notwithstanding anything to the contrary in this Agreement or the Lease, upon any attornment pursuant to this Agreement, the Lease shall be deemed to have been automatically amended to provide that Successor Landlord's obligations and liability under the Lease shall never extend beyond Successor Landlord's (or its successors' or assigns') interest, if any, in the Real Estate from time to time, including insurance and condemnation proceeds and Successor Landlord's interest in the Lease (collectively, "**Successor Landlord's Interest**"). Tenant shall look exclusively to Successor Landlord's Interest (or that of its successors and assigns) for payment or discharge of any obligations of Successor Landlord under the Lease as amended or affected by this Agreement. If Tenant obtains any money judgment against Successor Landlord with respect to the Lease or the relationship between Successor Landlord and Tenant, then Tenant shall look solely to Successor Landlord's Interest (or that of its successors and assigns) to collect such judgment. Tenant shall not collect or attempt to collect any such judgment out of any other assets of Successor Landlord.

7. Lender's Right to Cure.

(a) Notice to Lender. Notwithstanding anything to the contrary in the Lease or this Agreement, before exercising any remedies under the Lease, Tenant shall provide Lender with notice of the breach or default by Landlord giving rise to same (a "**Default Notice**") and, or thereafter, the opportunity to cure such breach or default as provided for below.

(b) Lender's Cure Period. After Lender receives a Default Notice, Lender shall have a period of thirty (30) days beyond the time available to Landlord under the Lease in which to cure the breach or default by Landlord. Lender shall have no obligation to cure (and shall have no liability or obligation for not curing) any breach or default by Landlord, except to the extent that Lender agrees or undertakes otherwise in writing.

(c) Extended Cure Period. In addition, as to any breach or default by Landlord the cure of which requires Lender to possess and control the Real Estate, provided only that Lender undertakes to Tenant by written notice to Tenant within thirty (30) days after receipt of the Default Notice to exercise reasonable efforts to cure such breach or default within the period permitted by this paragraph, Lender's cure period shall continue for such additional time (the "**Extended Cure Period**") as Lender may reasonably require to obtain possession and control of the Real Estate and thereafter to cure the breach or default with reasonable diligence and continuity. So long as any receiver of the Real Estate has been appointed and is continuing to serve, Lender shall be deemed to have possession and control of the Real Estate.

8. Confirmation of Facts. Tenant represents to Lender and to any Successor Landlord, in each case as of the date hereof:

(a) Effectiveness of Lease. The Lease is in full force and effect, has not been modified, and constitutes the entire agreement between Landlord and Tenant with respect to the Real Estate. Without limiting the foregoing, there are no oral or written agreements between Landlord and Tenant that would create any additional obligations of Landlord with respect to the Lease or the Real Estate, or that would reduce or limit any obligations of Tenant under the Lease. Tenant has no interest in the Real Estate other than its interest as tenant under the Lease. No unfulfilled conditions exist to Tenant's obligations under the Lease.

(b) No Default. Tenant is not in default under the Lease and has not received any uncured notice of any default by Tenant under the Lease and, to the best of Tenant's knowledge, no breach or default by Landlord exists and no event has occurred that, with the giving of notice, the passage of time or both, would constitute such a breach or default.

(c) No Transfer. Tenant has not transferred, encumbered, mortgaged, assigned, conveyed or otherwise disposed of the Lease or any interest therein.

(d) Due Authorization. Tenant has full authority to enter into this Agreement, which has been duly authorized by all necessary actions.

9. Notices. All notices, requests, demands and consents to be made hereunder to the parties hereto shall, unless otherwise expressly provided, be in writing and be delivered by hand or sent by registered mail or certified mail, postage prepaid, return receipt requested (except for any notice address which is a post office box, in which case notice may be given by first class mail), through the United States Postal Service to the addresses shown below, or such other address which the parties may provide to one another in accordance herewith. Such notices, requests, demands and consents shall be deemed effective upon the receipt, or upon attempted delivery thereof if the delivery is refused by the intended recipient or if delivery is impossible because the intended recipient has failed to provide a reasonable means of accomplishing delivery. If Tenant receives a notice from Lender pursuant to this Agreement, Tenant shall not be required to investigate or determine the validity or accuracy of such notice or the validity or enforceability of this Agreement, and Landlord hereby agrees to release and hold Tenant harmless from and against any and all loss, claims, damage, or liability arising from or related to any payment of rent or performance of other obligations under the Lease by Tenant made in good faith in reliance on and pursuant to any such notice.

In the case of Landlord, to:                    IVORY UNIVERSITY HOUSE, L3C  
978 Woodoak Lane  
Salt Lake City, Utah 84117  
Attn: Clark Ivory

In the case of Tenant, to:                    THE UNIVERSITY OF UTAH  
201 S. Presidents Circle  
Salt Lake City, Utah 84112  
Attn: Chief Financial Officer

In the case of Lender, to:                    WASHINGTON FEDERAL BANK  
405 S. Main Street, Suite 100  
Salt Lake City, Utah 84111  
Attention: Brian Jeppesen

10. Miscellaneous.

(a) Successors and Assigns. This Agreement shall bind and benefit the parties, their successors and assigns, any Successor Landlord, and its successors and assigns. If Lender assigns the Deed of Trust, then upon delivery to Tenant of written notice thereof accompanied by the assignee's written assumption of all obligations under this Agreement executed by the assignee, all liability of the assignor shall terminate.

(b) Entire Agreement. This Agreement constitutes the entire agreement among Landlord, Tenant and Lender regarding the rights and obligations of Landlord, Tenant and Lender as to the subject matter of this Agreement.

(c) Interaction with Lease and with Deed of Trust. If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties and any Successor Landlord, including upon any attornment. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for delivery of nondisturbance agreements by the holder of the Deed of Trust.

(d) Lender's Rights and Obligations. Except as expressly provided for in this Agreement, Lender shall have no obligations to Tenant with respect to the Lease. If an attornment occurs pursuant to this Agreement, then all rights and obligations of Lender under this Agreement shall terminate, without thereby affecting in any way the rights and obligations of Successor Landlord provided for in this Agreement, or the amendments to the Lease set forth herein.

(e) Interpretation: Governing Law. The interpretation, validity, and enforcement of this Agreement shall be governed by and construed under the internal laws of State of Utah, excluding such state's principles of conflicts of law. Venue for any lawsuits, claims, or other legal proceedings between the parties relating to or arising under this Agreement shall be exclusively in the State of Utah.

(f) Amendments. This Agreement may be amended, discharged, or terminated, or any of its provisions waived, only by a written instrument executed by the party to be charged.

(g) Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(h) Lender's Representation. Lender represents that Lender has full authority to enter into this Agreement, and Lender's entry into this Agreement has been duly authorized by all necessary actions.

(i) Attorney's Fees. If any lawsuit or arbitration is commenced which arises out of or relates to this Agreement, the prevailing party shall be entitled to recover from each other party such sums as the court or arbitrator may adjudge to be reasonable attorneys' fees, including the costs for any legal services by in-house counsel, in addition to costs and expenses otherwise allowed by law.

**NOTICE: THIS AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE LANDLORD UNDER THE LEASE TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR PURPOSES OTHER THAN IMPROVEMENT OF THE PROPERTY.**

[Remainder of page intentionally left blank. Signature pages follow.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

LANDLORD:

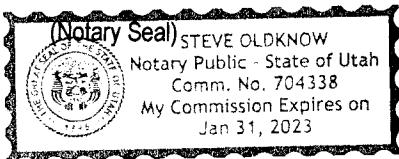
IVORY UNIVERSITY HOUSE, L3C,  
a Utah low-profit limited liability company

By:   
Name: RYAN R. TESCH  
Title: MANAGER

State of UTAH                    )  
  ss.  
County of Salt Lake)

On this 3 day of OCTOBER, 2022, before me STEVE OLDKNOW, a notary public, personally appeared Ryan R. Tesch, an individual, the Manager of Ivory University House, L3C, a Utah low-cost limited liability company, on behalf of said limited liability company, proved on the basis of satisfactory evidence to be the person whose name is subscribed to in this document, and acknowledged he executed the same.

  
\_\_\_\_\_  
Notary Signature




[Signatures Continue on the Following Page(s)]




LENDER:

WASHINGTON FEDERAL BANK,  
a Washington state chartered commercial bank

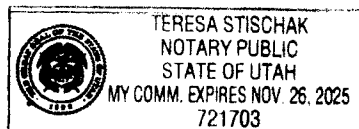
By:   
Name: BRIAN K. JEPPESEN  
Title: Vice President

State of UTAH                    )  
  ss.  
County of SALT LAKE         )

On this 24<sup>th</sup> day of October, in the year 2022, before me Teresa Stischak, a notary public, personally appeared Brian K. Jeppesen an individual, a Vice President of WASHINGTON FEDERAL BANK, a Washington state chartered commercial bank, on behalf of said bank, proved on the basis of satisfactory evidence to be the person whose name is subscribed to in this document, and acknowledged he executed the same.

  
Notary Public

(Notary Seal)





**EXHIBIT A  
LEGAL DESCRIPTION**

That certain real property located in Salt Lake County, Utah, more particularly described as follows:

The leasehold estate and interest created by the Lease Agreement executed by The Church of Jesus Christ of Latter-day Saints, a Utah corporation sole, as lessor, to Ivory University House L3C, a low-profit limited liability company, as lessee, dated as of September 30, 2021, notice of which is given by the Memorandum of Lease dated April 19, 2022 and recorded in the Official Records of the County Recorder of Salt Lake County, Utah on April 21, 2022 as Entry No. 13937622 in Book 11331 at Page 3184 and a Corrective Memorandum of Lease that was recorded in the Official Records of the County Recorder of Salt Lake County, Utah on May 6, 2022, as Entry No. 13946973 in Book 11336 at Page 4283, demising and leasing the following described subject property situated in Salt Lake County, Utah, to-wit

A parcel of land being part of an entire tract of land described in that Quit Claim Deed recorded February 5, 2001 as Entry No. 7813416 in Book 8421, at Page 4755 in the Office of the Salt Lake County Recorder. Said parcel of land is located in the Southeast Quarter of Section 4, Township 1 South, Range 1 East, Salt Lake Base and Meridian and is described as follows:

Beginning at a point on the southeasterly right-of-way line of South Campus Drive, which is 2039.23 feet East and 1055.03 feet North of U.S. Government Monument No. 5, said Monument being 2453.80 feet East and 3962.31 feet South of the Northwest Corner of Section 4; thence N. 55°40'00" E. 310.10 feet along said southeasterly right of way line of South Campus Drive to a point of non-tangency with a 48.13-foot radius curve to the right, concave southerly (Radius point bears S. 29°53'00" E.); thence easterly 68.77 feet along the arc of said curve, through a central angle of 81°52'19" (Chord bears S. 78°56'50" E. 63.07 feet) to a westerly right-of-way line of Wasatch Drive; thence S. 15°19'19" E. 651.24 feet along said westerly right-of-way line; thence S. 50°14'19" W. 17.62 feet; thence S. 55°45'19" W. 252.41 feet; thence N. 34°09'34" W. 488.49 feet to a point of non-tangency with a 125.00-foot radius curve to the left, concave westerly (Radius point bears N. 37°48'29" W.); thence northerly 185.61 feet along the arc of said curve, through a central angle of 85°04'45" (Chord bears N. 09°39'09" E. 169.02 feet); thence N. 32°53'14" W. 40.21 feet to a point of tangency with a 13.00-foot radius curve to the right, concave southeasterly; thence Northeasterly 14.77 feet along the arc of said curve, through a central angle of 65°06'40" (Chord bears N. 00°19'54" W. 13.99 feet) to the Point of Beginning.