

Subordination, Non-Disturbance, and Attornment Agreement

This subordination, non-disturbance, and attornment agreement (the "Agreement") is made and entered into as of the 22 day of March, 2022 (the "Effective Date"), by and among Hobby Lobby Stores, Inc., an Oklahoma corporation, having a notice address of 7707 S.W. 44th Street, Oklahoma City, Oklahoma, 73179, Attn: Real Estate Department ("Tenant"), Skagit Valley Square, LLC, a Texas limited liability company and High Point 8888, LLC, a Texas limited liability company, as tenants in common (collectively the "Landlord"), having a notice address of 1717 Woodstead Court, Suite 298, The Woodlands, TX 77380 and Genworth Life Insurance Company, a Delaware corporation having a notice address of Servicing Department, 10851 Mastin Street, Suite 300, Overland Park, KS 66210 ("Lender").

RECITALS

- A. Landlord is the owner of certain real property which is more fully described in Exhibit A of this Agreement (the "Premises");
- B. Lender is now or will be the owner and holder of a note (the "Note") evidencing a loan ("Loan") secured by a mortgage or deed of trust (as applicable, the "Mortgage") securing the Loan, in each case executed by Landlord to Lender which Mortgage is to be recorded in the county in which the Premises is located;
- C. Tenant is the Lessee under a lease dated April 10, 2013, by and between Tenant and Landlord (the lease and all lease amendments are collectively referred to as the "Lease"), demising to Tenant a portion of the Premises and improvements (described in the Lease and in this Agreement as the "Leased Premises"); **Unrecorded Lease**
- D. The Mortgage constitutes or will constitute a first lien upon, among other things, the Premises and the current and future improvements, or a portion thereof; and
Mortgage Recorded 3/30/2022 in 202203300113
- E. The parties are entering into this Agreement as a condition precedent to Tenant's agreement to enter into the Lease and/or Lender's agreement to make the Loan to Landlord as evidenced by the Note.

TERMS AND CONDITIONS

For good and valuable consideration, the parties agree as follows:

1. **Subordination.** The Lease and all rights of Tenant in or to the Leased Premises are subordinated, and shall remain subordinate and junior, to the lien of the Mortgage and to the rights and interests of the holder of the Note and Mortgage as if the Mortgage had been duly executed, acknowledged, recorded, and the indebtedness secured thereby had been fully disbursed prior to the execution of the Lease or possession of the Leased Premises by Tenant. Tenant warrants to Lender that there has been no assignment of Tenant's leasehold interest in the Leased Premises to any other person.

2. **Attornment.** If the interests of Landlord in the Premises shall be transferred to and owned by Lender or any other person or entity by reason of foreclosure or other proceedings brought by Lender in lieu of or pursuant to a foreclosure (as applicable, the "Successor"), or by any other manner prior to the expiration of the Lease, including any extensions and renewals of the Lease, and provided Successor assumes all of Landlord's obligations under the Lease, then:

(i) Tenant shall attorn to and accept Successor and recognize Successor as Tenant's Landlord under the Lease;

(ii) Successor shall recognize and accept Tenant as its tenant under the Lease;

(iii) the Lease shall continue, without further agreement, in full force and effect as a direct lease between Successor and Tenant for the remaining term of the Lease, together with all extensions and renewals now provided in the Lease, upon the same terms, covenants, and conditions as provided in the Lease; and

(iv) Successor shall thereafter assume and perform all of Landlord's obligations, as landlord under the Lease, and Tenant shall thereafter make all rent payments directly to Successor as set forth in the Lease.

3. **Limitation of Liability.** In the event of a foreclosure of or other execution on the Mortgage (by judicial process, power of sale or otherwise), or conveyance in lieu of foreclosure, Successor shall not:

(i) be liable to Tenant for any past acts, past omissions, or past defaults by prior Landlord unless such acts, omissions, or defaults are of a continuing nature or for which Successor was provided notice of such past acts, past omissions, or past defaults, and provided that nothing in this Agreement shall modify or reduce the obligation of Successor to perform all of the obligations of Landlord under the Lease once Successor succeeds to the interest of Landlord;

(ii) be liable to Tenant for any payment of rent made more than thirty (30) days in

advance and not delivered to Successor; and

(iii) be bound by any amendment of the Lease entered into during the existence of Lender's lien under the Mortgage which (a) has the effect of reducing the rent payable by Tenant, reducing the term of the Lease, or materially increasing Landlord's obligation under the Lease, and (b) has not been consented to by Lender.

4. Tenant Allowance. Notwithstanding anything to the contrary in this Agreement, if Tenant is owed any tenant improvement allowance under the Lease, Tenant shall have the continuing right to abate and retain such amounts against rent until recouped in full as set forth in the Lease.

5. Cure by Lender of Landlord Defaults. On giving notice of any default to Landlord under the provisions of the Lease, Tenant agrees to also provide a copy of such notice to Lender. If Landlord defaults under any provision of the Lease, Lender shall have the right, but not the obligation, to cure any such default in the same manner and within the same period of time as provided in the Lease, and Tenant agrees to accept such performance by Lender under the Lease as though the same had been performed by Landlord. Such cure shall not reduce or otherwise limit any rights or remedies of Tenant under the Lease.

6. Lease Assignment. Tenant acknowledges that Landlord has assigned, or may assign, Landlord's interest in the Lease to Lender as additional security for its obligations under the Mortgage, and Landlord hereby irrevocably instructs Tenant to pay to Lender all rent and other sums due under the Lease immediately upon notice from Lender, provided Landlord agrees Tenant may rely on the notice from Lender under this section regardless of Landlord's dispute of the validity of such notice.

7. Non-Disturbance. So long as Tenant is not in default under the terms of the Lease (beyond any notice and period of time given Tenant to cure such default as provided in the Lease), Lender agrees, on behalf of itself and any other Successor that:

(i) Tenant shall not be made a party to any foreclosure, conveyance in lieu of foreclosure, conveyance, power of sale, sale, or other action or proceeding regarding or relating to the Mortgage occurring prior to the expiration of the Lease, including any extensions or renewals of the Lease;

(ii) Successor shall not affect the Lease, interfere with Tenant's possession of the Leased Premises, or Tenant's leasehold rights under the Lease;

(iii) Tenant shall not be disturbed in the quiet enjoyment and peaceful possession of the Leased Premises, subject to the terms and conditions of the Lease; and

(iv) The lien of the Mortgage does not and shall not encumber any property of Tenant located in or about the Leased Premises.

8. Insurance and Condemnation Proceeds. In the event of an insured casualty,

condemnation, or eminent domain, the Lease shall control with regard to the application of the proceeds from insurance, condemnation, or eminent domain.

9. **Notice.** All notices permitted or required to be given under this Agreement shall be in writing, shall be deemed properly given if addressed to the parties at the respective addresses set forth in the initial paragraph of this Agreement, or at such other address as is specified by notice by any party by certified mail, postage prepaid, return receipt requested, by delivery or attempted delivery by a nationally recognized overnight courier service, or by personal delivery.

10. **Successors and Assigns.** This Agreement shall be binding upon the parties and their respective heirs, executors, administrators, representatives, successors and assigns including, without limitation, each and every holder of the Note and Mortgage.

11. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be an original and all of which taken together will constitute one original single agreement.

12. **Modification.** This Agreement may only be modified by an agreement signed by all parties.

13. **Choice of Law.** This Agreement shall be governed by the law in which the Premises are located.

This Agreement shall bind the parties only upon the execution by all parties and each party's receipt of an original of this Agreement signed and acknowledged by the other parties. If any party fails to execute this Agreement and deliver an executed original to the other party within fifteen (15) days of the Effective Date, this Agreement shall be null and void.

[SIGNATURE PAGES TO FOLLOW]

Tenant:

Hobby Lobby Stores, Inc.

By: *Randy Childers*
Randy Childers
Vice President, Real Estate

STATE OF OKLAHOMA)
) ss:
COUNTY OF OKLAHOMA)

I, the undersigned notary public in and for said County and State, do hereby certify that Randy Childers, the Vice President of Hobby Lobby Stores, Inc., an Oklahoma corporation personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me on this day in person and acknowledged that he signed and delivered the said instrument of writing as his free and voluntary act.

WITNESS MY HAND AND NOTARIAL SEAL, this 15th day of February, 2022.

(SEAL)

Stephanie Rozmalica
Notary Public

My Commission expires March 9, 2023



Lender:

Genworth Life Insurance Company

By:

Signature

JAMES B. RYAN
Printed Name and Title
Investment Officer

STATE OF Connecticut,
COUNTY OF Fairfield) ss:

I, the undersigned Notary Public in and for said County and State, do hereby certify that James B. Ryan, the Investment Officer of Genworth Life Insurance Company, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me on this day in person and acknowledged that he signed and delivered the said instrument of writing as his free and voluntary act.

WITNESS MY HAND AND NOTARIAL SEAL, this 16th day of March, 2022.

(SEAL)

Sheri Lynn Horowitz
Notary Public

My Commission expires 12/31/2024

