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WHEN RECORDED, RETURN TO:
Graham & James LLP
885 Third Avenue, 24th Floor
New York, New York 10022-4834
Attention: Koren Blair, Esq.

K-50495

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

BY

THIRTY PAYLESS, INC..

IN FAVOR OF

COLUMN FINANCIAL, INC.

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REV:dmb:April 23, 1998

SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN AGREEMENT

This Subordination, Non-Disturbance and Attornment Agreement ("Agreement") is made as of the 23rd day of April, 1998, between THRIFTY PAYLESS, INC., P.O. Box 3155, Harrisburg, PA 17105 ("Tenant") and COLUMN FINANCIAL, INC. ("Lender").

WHEREAS, Tenant and The Travelers Insurance Company, successor in interest to Fredrick D. Ehlers and Helen Ann Ehlers ("Landlord") have entered into a lease dated June 28, 1979 (the "Lease") covering all of certain premises situate at Jefferson Square Mall, 2740 South 6th Street, Klamath Falls, OR 97603-4686 as set forth in the Lease (the "Premises"); and

WHEREAS, Lender has made or is about to make a loan to Landlord secured by a mortgage covering the Premises demised under the Lease (the "Mortgage") and intended to be recorded in the public records; and

WHEREAS, Tenant has agreed that its rights in and pursuant to the Lease are and shall be subordinate to the Mortgage, provided Lender executes and delivers to Tenant a Non-Disturbance Agreement, which Lender is willing to provide on condition that Tenant agrees to attorn to Lender;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, it is agreed:

1. Subordination. The Lease is and shall be subject and subordinate to the Mortgage insofar as it affects the Demised Premises, and to all renewals, modifications, consolidations, replacements and extensions thereof, and to all future advances made thereunder.

2. Non-Disturbance Agreement. As long as Tenant is not in default beyond any applicable grace period in the payment of rent, additional rent or other charges or in the performance of any of the other terms or conditions of the Lease, Tenant's rights under the Lease and its possession of the Premises will not be interfered with or disturbed by Lender during the term of the Lease (including any renewal or extension term) following acquisition of title to the Property (a) by Lender or the purchaser at a foreclosure sale pursuant to any action or proceeding to foreclose the Mortgage, or (b) by Lender pursuant to acceptance of a deed in lieu of foreclosure (in either case, a "Transfer of Ownership").

3. Attornment Agreement. If a Transfer of Ownership occurs, Lender and Tenant will be bound to each other, as landlord and tenant, respectively, under all of the terms and conditions of the Lease for the balance of the term thereof (including any renewal or extension term), and Tenant hereby attorns to Lender as its landlord, such attornment to be effective and self-operative, without the execution of any other instruments on the part of either party hereto, immediately upon a Transfer of Ownership. As used in this Article and in the subsequent provisions hereof, whenever the context allows, the term "Lender" will also include a purchaser of the Property at a foreclosure sale.

4. Lender's Liability. Notwithstanding any other provision of this Agreement, Lender will not be: (a) liable for acts

*Landlord includes successors and assigns

or omissions of any prior landlord (including Landlord) unless such acts or omissions are continuing after attornment or unless otherwise provided by law; (b) subject to offsets or defenses that Tenant might have had against any prior landlord (including Landlord) unless such offsets or defenses are continuing after attornment or unless otherwise provided by law; (c) bound by rent, additional rent or other charges that Tenant might have paid for more than 30 days in advance to any prior landlord (including Landlord) except as provided in the Lease; (d) bound by any amendment or modification of the Lease hereafter made without Lender's prior written consent, which consent will not be unreasonably withheld (except to the extent that the Lease may specifically contemplate any amendment or modification thereof); or (e) responsible for money or other security delivered to Landlord pursuant to the Lease but not subsequently received by Lender.

5. Lender's Right to Cure Default. No notice by Tenant to Landlord of any breach or default by Landlord under the Lease will be effective unless and until (a) a copy of the notice is received by Lender, and (b) a reasonable period of time, if no time period is specified in the Lease, has elapsed following Lender's receipt of such copy, during which period Lender will have the right, but will not be obligated, to cure the breach or default.

6. Notices. To be effective, any notice or other communication given pursuant to this Agreement must be in writing and sent postpaid by United States registered or certified mail with return receipt requested. Rejection or other refusal to accept, or inability to deliver because of changed address of which no notice has been given, will constitute receipt of the notice or other communication.

The agreements contained herein shall bind and inure to the benefit of the successors and assigns in interest of the parties hereto, and, without limitation of the foregoing generality, the agreements of Lender herein shall specifically be binding upon any purchaser or successor of said property at a sale foreclosing said Mortgage or in lieu of such foreclosure.

IN WITNESS WHEREOF, the parties hereof have caused the execution hereof as of the date first above written.

WITNESS OR ATTEST:

Lee Siller
Gertrude Myers

TENANT:
THIRTY PAYLESS, INC.

By: Eve K. Exar
Eve K. Exar
Authorized Representative

add Co

LENDER:
COLUMB FINANCIAL, INC.

By: [Signature]

EXHIBIT A

The following described real property situate in Klamath County, Oregon:

PARCEL 1:

A parcel of land lying in the Northwest quarter of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows:

Starting at the Northwest corner of said Section 3; thence South $00^{\circ}00'30''$ East along the Westerly boundary of said Section 3 and the centerline of Washburn Way 917.42 feet to the intersection with the present centerline of South Sixth Street, formerly known as The Dalles-California Highway, recorded bearing South $55^{\circ}52'30''$ East, at Engineer's Station 8+17.42 on Washburn Way and Engineer's Station 16+14.87 on South Sixth Street; thence continuing South $00^{\circ}00'30''$ East along said West line of Section 3 and the centerline of Washburn Way 43.32 feet to a point on the South boundary of South Sixth Street which is distant 40 feet at right angles from the centerline of South Sixth Street at Engineer's Station 16+41.99; thence South $55^{\circ}52'30''$ East parallel to said centerline 463.02 feet to the true point of beginning of this description; thence from said true point of beginning continuing South $55^{\circ}52'30''$ East 794.93 feet; thence at right angles South $34^{\circ}07'30''$ West 204.00 feet; thence South $55^{\circ}52'30''$ East parallel to South Sixth Street 145.00 feet; thence at right angles South $34^{\circ}07'30''$ West 183.80 feet to the Northern right of way line of Oregon, California and Eastern Railroad; thence North $66^{\circ}57'30''$ West along said line 982.11 feet to a point on the Easterly right of way line of Washburn Way which is 40.00 feet Easterly of the centerline of said Washburn Way; thence North $00^{\circ}00'30''$ West along said right of way line 503.30 feet; thence South $55^{\circ}52'30''$ East 306.22 feet; thence North $34^{\circ}07'30''$ East 180.00 feet to the true point of beginning.

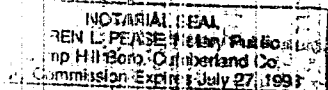
COMMONWEALTH OF PENNSYLVANIA

COUNTY OF CUMBERLAND

On the 23rd day of April, A.D. 1998, before me, the undersigned authorized representative, personally appeared Eve K. Exar, who acknowledged herself to be the Authorized Representative of THRIFTY PAYLESS, INC., a corporation, and that she as such Authorized Representative, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by herself as Authorized Representative.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal.

Karen L. Pearce
My Commission Expires:



STATE OF _____

COUNTY OF _____

On the _____ day of _____, A.D. 19____, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of _____, a corporation, and that he as such _____, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as _____.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal.

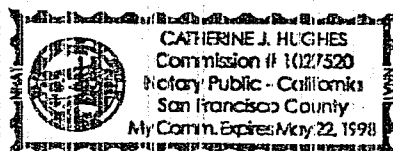
My Commission Expires:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

15516

State of California
 County of San Francisco
 On May 4, 1998 before me, Catherine J. Hughes
 personally appeared Top Fisher
Name and Title of Officer (e.g., "Jane Doe, Notary Public")
Name(s) of Signer(s)

☒ personally known to me — OR — ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Catherine J. Hughes
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

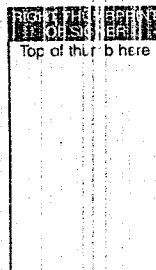
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

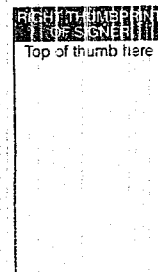
- ☐ Individual
☐ Corporate Officer
 Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____



Signer Is Representing: _____

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer
 Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____



Signer Is Representing: _____

STATE OF OREGON: COUNTY OF KLAMATH: ss:

Filed for record at request of _____ First American Title _____ the _____ 8th _____ day
 of _____ May _____ A.D., 19 98 at 9:22 o'clock _____ A. M., and duly recorded in Vol. _____ M98 _____
 of _____ Mortgage _____ on Page 15511

FEE \$35.00

By Kathleen Boan Bernice G. Letsch, County Clerk