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Day 11 P1 V61 M98 Page 45385 Recorded at the request of and to be mailed after recording to:

KKY BANK NATIONAL ASSOCIATION 700 5th Avenue, 52nd Floor Seattle, Washington 98104

## K-52604 NON-DISTURBANCE, ATTORNMENT AND SUBORDINATION ACREEMENT

BIG 5 CORP., a Delaware corporation, ("Lessee") formerly named United 2 Merchandising Corp. is the lessee under a lease (the "Lease") dated March 7, 1997, with

> NO APPLES I - KLAMATH FALLS, L.L.C., a Washington limited liability company

("Lessor") of the premises located at 3500 Washburn Way, Klamath Falls, Klamath County, Oregon, and more particularly described in Exhibit A attached hereto 10 (the "Demised Premises").

> KEY BANK NATIONAL ASSOCIATION, a national banking association

15 ("Beneficiary") is or will be the holder of the beneficial interest under a the Official Records in the County of Klamath

as Instrument No. Mag. 1150. 16 18 as Instrument No. 198-45316 on said Demised Premises (the "Deed of Trust"). 19 Lessee and Beneficiary desire hereby to establish certain rights, safeguards, 20 obligations and priorities with respect to their respective interests by means of the following non-disturbance, attornment and subordination agreements.

NOW, THEREFORE, the parties hereto covenant and agree as follows:

- Provided the Lease is in full force and effect and there are no defaults by Lessee in the payment of rent thereunder then:
  - 1.1. The right of possession of Lessee to the Demised Premises and Lessee's rights arising out of the Lease shall not be affected or disturbed by Beneficiary in the exercise of any of its rights under the Deed of Trust or the Note secured thereby.
  - 1.2. Lessee shall not be named in any foreclosure action related to the Deed of Trust.
  - 1.3. In the event that Beneficiary or any other person acquires title to the Demised Premises pursuant to the exercise of any remedy provided for in the Deed of Trust or under the laws of the state in which the Demised Premises are located, the Lease shall not be terminated or affected by said foreclosure or sale resulting from any such proceeding; and Beneficiary hereby covenants that any sale by it of the Demised Premises pursuant to the exercise of any rights and remedies under the Deed of Trust or otherwise, shall be made subject to the Lease and the rights of Lessee thereunder; and Lessee covenants and agrees to attorn to Beneficiary or such other

person as its new lessor; and the Lease shall continue in full force and effect as a direct lease between Lessee and Beneficiary or such other person, as Lessor, upon all the terms, covenants, conditions and agreements set forth in the Lease between Lessee and Lessor. However, in no event shall Beneficiary or such person be:

- 1.3.1. liable for any act or omission of Lessor, except for those acts or omissions for which Lessee has given Beneficiary notice thereof prior to said foreclosure or sale;
- 1.3.2. bound by any payment of rent made by Lessee by more than thirty (30) days in advance of the due date under the Lease;
- 1.3.3. bound by any amendment to the Lease made subsequent to the date of this Agreement without the written consent of Beneficiary, which consent shall not be unreasonably withheld or withheld for the purpose of effectuating a change in terms to the Deed of Trust. Beneficiary hereby consents to any such subsequent amendment if the primary purpose of such amendment is to provide for the expansion or remodeling of the Demised Premises or an extension of the primary term or option periods, so long as there is no decrease in the minimum rent payable under the Lease.

Notwithstanding the foregoing, the rights and obligations of Lessee and Beneficiary, respectively, upon such attornment shall, to the extent of the then remaining balance of the term of the Lease, including any renewals or extensions thereof, be the same as now set forth in the Lease and by this reference the Lease is incorporated herein as part of this Agreement.

- 1.4. Beneficiary agrees that in the event of casualty or condemnation, insurance or condemnation proceeds shall be used for the purpose of reconstruction in the circumstances set forth in the Lease and subject to the provisions of the Lease.
- The Lease shall be subject and subordinate to the lien of the Deed of Trust and to all the terms, conditions and provisions thereof, to all advances made or to be made thereunder, and to any renewals, extensions, modifications or replacements thereof, not inconsistent with Paragraph 1 of this Agreement.
- Any notices or other communication required or desired to be given by one party to the other party hereto shall be given in writing by mailing the same by certified United States Mail, return receipt requested, postage prepaid, addressed as follows:

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To Lessee:

Big 5 Corp.

2525 East El Segundo Boulevard

El Segundo, California 90245

Attention: President or Secretary

To Beneficiary: Key Bank National Association
700 5th Avenue, 52nd Floor
Seattle, Washington 98104
Attention: Shelly Schwab

or to such other addresses as the respective parties may from time to time designate by notice given as provided in this Agreement. Notices shall be deemed effective upon receipt but if the addressee refuses to accept any notice or demand mailed in accordance with the provisions of this Paragraph 3., notice shall be deemed received three (3) days after being deposited in the United States mail in accordance with the provisions of this Paragraph 3.

- This Agreement may not be modified other than by an agreement in writing signed by the parties hereto or by their respective successors in interest.
- This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.
- 26 6. The foregoing provisions shall be self operative and effective without the execution of any further instruments on the part of either party hereto.
- 7. Should Beneficiary cease to have a beneficial interest under the Deed of Trust, Beneficiary shall give prompt written notice to Lessee of the reconveyance, assignment or other form of termination of said beneficial interest.

## Big 5, Klamath Falls, OR 09-21-98 (3)

1 2 3	to be	duly			parties hereto have caused this Agreement September, 1998.
4					KEY BANK NATIONAL ASSOCIATION,
5					a national banking association
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13 14					By Calal Luttle
15					Title: Vice President
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22					BIG 5 CORP.,
23					a Delaware corporation
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32					By Meade
33					Gary S. Meade, Secretary
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35					LESSEE
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State of Washington )
County of King ) SS.

I certify that I know or have satisfactory evidence that Shelly L. Schwab and Carol Tuttle is/are the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument, on oath stated that he/she/they was/were authorized to execute the instrument and acknowledged it as the Sr.Loan Closing Officer and V.Pof KeyBank National Association (respectively) to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: <u>October 27</u>, 1998.

(Seal of Stamp)

FORWASHING

Signature Device G. Weller

Harriett A. Miller

(Name legibly printed or stamped)
Notary Public in and for the State of Washington, residing at \_Mountlake Terrace
My appointment expires \_\_\_\_\_\_7/1/99

State of California )

County of Los Angeles )

On September 24 1995, before me, Aurelia Caucedo, a Notary Public, personally appeared Steven G. Miller and Gary S. Meade, personally known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Signature Operationauced

AURELIA SAUCEDO Commission # 1161337 Notary Public - California Los Angeles County My Comm. Bipres Nov 10, 2001

## EXHIBIT A

## Legal Description

Lots 16 and 17, Tract 1276, a re-subdivision of a portion of Lot 3, Block 1 of "Tract 1080 - Washburn Park", according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

STATE OF O	REGON: COUNTY OF KI	AMATH: ss.	
Filed for reco	rd at request of	First American Title  98 at 1:02 o'clock P. M.,  Mortgages on Page	the 11th da and duly recorded in Vol. M98
FEE	\$35.00		Bernetha G. Letsch, County Clerk