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RECORDING REQUESTED BY

Ross Stores, Inc.

AND WHEN RECORDED MAIL TO:

px Bartko, Zankel, Tarrant & Miller  
900 Front Street, Suite 300  
San Francisco, CA 94111  
Attn.: Theani C. Louskos, Esq.

State of Oregon, County of Klamath  
Recorded 08/30/04 8:57a m  
Vol M04 Pg 57179-87  
Linda Smith, County Clerk  
Fee \$ 61<sup>00</sup> # of Pgs 9

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

**SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT****LOCATION: KLAMATH FALLS, OREGON**

1  
2  
3 This Subordination, Nondisturbance and Attornment Agreement (the "Agreement") is  
4 effective as of this 11 day of April, 2004, by and between GEMSA Loan Services, L.P., a Delaware  
5 limited partnership ("Servicer"), acting not individually, but solely in its capacity as Servicer for and on  
6 behalf of WELLS FARGO BANK MINNESOTA, N.A., (formerly Norwest Bank Minnesota, N.A.) as  
7 Trustee, under that certain Pooling and Servicing Agreement dated as of June 1, 1998, for DLJ Commercial  
8 Mortgage Pass-Through Certificates, Series 1998-CGI (the "Lender"), ROSS STORES, INC., a Delaware  
9 corporation (the "Tenant") and JEFFERSON SQUARE OF KLAMATH, LLC, an Oregon limited liability  
10 company (the "Landlord").

**RECITALS**

11  
12 A. Lender is the holder of indebtedness secured by a lien or liens upon, the real property  
13 described in Exhibit "A" attached hereto and by this reference incorporated herein. The Exhibit "A"  
14 property and improvements thereon is hereinafter referred to as the "Shopping Center." The instruments  
15 creating such lien or liens whether they be denominated as being "mortgage," "deed of trust," "deed to  
16 secure debt," "security agreement," "vendor's lien," or otherwise, and any instruments modifying or  
17 amending the same, or entered into in substitution or replacement thereof, are hereinafter collectively  
18 referred to as being the "Mortgage."

19 B. Tenant has executed, or will execute, a certain lease with Landlord, dated for reference  
20 purposes on March 31, 2004, for all or a portion of the Shopping Center, which portion (the  
21 "Premises") is more particularly set forth in said lease. Said lease and all amendments and modifications  
22 thereto are herein collectively referred to as the "Lease." A Memorandum of Lease was recorded on  
April 13, 2004, Vol M04 Pg 21078-85.

23 C. Tenant has requested that Lender agree not to disturb Tenant's possessory rights under the  
24 Lease in the event that Lender should foreclose on the Mortgage, provided that Tenant is not in default of  
25 the Lease.

Jefferson Square Mall  
Klamath Falls, OR  
Store No. 817  
6061.589/287450.2

D. The parties desire to establish certain rights and obligations with respect to their respective interests by means of this Agreement.

### AGREEMENTS

NOW, THEREFORE, the parties hereto in consideration of the mutual covenants herein contained, and intending to be legally bound by hereby agree as follows:

1. Subject to the terms and conditions of this Agreement, and for so long as this Agreement remains binding upon Lender, the Lease and Tenant's leasehold estate created thereby shall be, in accordance with the terms and conditions hereof, completely and unconditionally subordinate to the lien of the Mortgage and to all the terms, conditions and provisions thereof, to all voluntary and involuntary advances made thereunder, to any renewals, extensions, modifications or replacements thereof, and to any subsequent mortgage with which the Mortgage may be spread and/or consolidated. This provision is acknowledged by Tenant to be self-operative and no further instrument shall be required to effect such subordination of the Lease.

2. Lender approves of the Lease.

3. Provided that Tenant is not in default so as to permit the Landlord to terminate the Lease or Tenant's right to possession of the Premises, Lender or the purchaser at a foreclosure sale pursuant to any action or proceeding to foreclose the Mortgage, whether judicial or non-judicial, or Lender pursuant to acceptance of a deed in lieu of foreclosure or any assignment of Landlord's interest under the Lease, in the exercise of any of the rights arising, or which may arise, out of the Mortgage or in any other manner: (i) shall not disturb or deprive Tenant in or of its use, quiet enjoyment and possession (or its right to use, quiet enjoyment and possession) of the Premises, or of any part thereof, or any right, benefit or privilege granted to or inuring to the benefit of Tenant under the Lease (including any right of renewal or extension thereof); (ii) shall not terminate or affect the Lease; (iii) shall recognize Tenant's rights, benefits and privileges under the Lease; and, (iv) shall recognize the leasehold estate of Tenant under all of the terms, covenants, and conditions of the Lease for the remaining balance of the term of the Lease with the same force and effect as if Lender were the Landlord under the Lease. Lender hereby covenants that any sale by it of the Shopping Center pursuant to the exercise of any rights and remedies under the Mortgage or otherwise, shall be made subject to the Lease and the rights of Tenant thereunder. However, in no event shall Lender be:

(a) Liable for any act or omission of Landlord arising prior to the date Lender takes possession of Landlord's interest in the Lease or becomes a mortgagee in possession. However, Lender shall be so liable if such act or omission is of a continuing nature, such as, for example, a repair obligation and Tenant notifies Lender in writing of such act or omission after Lender has taken such possession and Lender then fails to cure such act or omission after notice and within the applicable cure period allowed Landlord under the Lease;

(b) Liable for any offsets or deficiencies which Tenant might be entitled to assert against Landlord arising prior to the date Lender takes possession of Landlord's interest in the Lease or becomes a mortgagee in possession, except to the extent that Lender has received the benefit of the act of Tenant giving rise to the right of deduction, such as, for example, relief of an obligation that would otherwise have been paid by Lender as Landlord;

(c) Bound by any payment of Rent or additional rent made by Tenant to Landlord for more than one (1) month in advance, which payment was not required under the terms of the Lease;

(d) Bound by any amendment or modification of the Lease executed after the date of this Agreement which: (i) increases Landlord's obligations or reduces Tenant's obligations under the Lease; and (ii) is made without Lender's prior written consent (except to the extent that the Lease may specifically contemplate any amendment or modification, such as, for example, any modification contemplated by Section 3.7 of the Lease with respect to the Agreed Size of the Store);

(e) Liable for the return of any security deposit unless such security deposit has been physically been received by Lender;

(f) Obligated to reimburse Tenant for any costs which arise from the failure to have the Premises completed and ready for occupancy within the time requirements, if any, by the Lease; or

(g) Obligated or liable with respect to the construction and completion of any improvement for Tenant's use and occupancy; or

(h) Obligated to reimburse Tenant for any costs (including cost of Tenant's leasehold improvements) which arise from the failure to satisfy the Co-Tenancy Requirements set forth in the Lease.

4. Neither Lender nor any other party who from time to time shall be included in the definition of Lender hereunder shall have any liability or responsibility under or pursuant to the terms of this Agreement which arises after it ceases to own an interest in the Mortgaged Property. Nothing in this Agreement shall be construed to require Lender to see to the application of the proceeds of the Loan, and Lessee's agreements set forth herein shall not be impaired on account of any modification of the documents evidencing and securing the Loan.

5. In the event of the termination of the Mortgage by foreclosure, summary proceedings or otherwise, and if Tenant is not in default under the terms and conditions of the Lease so as to permit the Landlord thereunder to terminate the Lease, then, and in any such event, Tenant shall not be made a party in the action or proceeding to terminate the Mortgage unless not to do so would be disadvantageous procedurally to Lender, in which case, such joinder of Tenant as a party shall not extinguish or interfere with any rights of Tenant under the Lease, nor shall Tenant be evicted or moved or its possession or right to possession under the terms of the Lease be disturbed or in any way interfered with, and, subject to the provisions of this Agreement, Tenant will attorn to Lender or any other party which obtains title to the Shopping Center pursuant to any remedy provided for by the Mortgage or otherwise, such attornment to be effective and self-operative without the execution of any other instruments on the part of any party, and the Lease shall continue in full force and effect as a direct Lease from Lender or such party to Tenant under all the terms and provisions of the Lease (including any rights to renew or extend the term thereof). In the event of such attornment, Lender shall be deemed to have assumed and shall assume the performance of all of the affirmative covenants of Landlord occurring under the Lease from and after the time Lender becomes Landlord and until such time as such obligations are assumed by a bona fide purchaser.

6. Nothing contained in this Agreement shall be deemed to reduce or abrogate any rights of Tenant to cure any default of the Landlord under the Lease in accordance with and subject to the provisions of the Lease and/or to deduct from rental such amounts which Tenant may be entitled to so deduct under the provisions of the Lease.

7. Unless and until Lender or any subsequent purchaser succeeds to the interest of Landlord under the Lease, Landlord shall continue to perform Landlord's obligations and duties under the Lease.

8. If Landlord executes and delivers to Lender an Assignment of Leases and Rents conveying the rent under the Lease upon an event of default by Landlord under the Mortgage, after receipt of notice from Lender to Tenant (at the address set forth below) that rents under the Lease should be paid to Lender, Tenant shall thereafter pay to Lender all monies thereafter due to Landlord under the Lease. In such event, Tenant shall be entitled to rely solely upon such notice, and Landlord and Lender hereby indemnify and agree to defend and hold Tenant harmless from and against any and all expenses, losses, claims, damages or liabilities arising out of Tenant's compliance with such notice or performance of the obligations under the Lease by Tenant made in good faith in reliance on and pursuant to such notice. Tenant shall be entitled to full credit under the Lease for any rents paid to Lender in accordance with the provisions hereof. Any dispute between Lender (or any other purchaser) and Landlord as to the existence of a default by Landlord under the provisions of the Mortgage, shall be dealt with and adjusted solely between Lender (or any other purchaser) and Landlord, and Tenant shall not be made a party thereto.

9. Lender shall use the proceeds of any insurance recovery or condemnation award for the purposes stated in the Lease. Lender acknowledges that it has no interest and waives any interest in Tenant's personal property, Tenant's signs, and any safety systems (such as, without limitation, fire and security monitoring and alarm systems) installed at or about the Premises, or any insurance proceeds payable with respect thereto under Tenant's policies.

10. Tenant hereby confirms that the Lease is in full force and effect.

11. No modification, amendment, waiver or release of any provision of this Agreement or of any right, obligation, claim or cause of action arising thereunder shall be valid or binding for any purpose whatsoever unless in writing and duly executed by the party against which the same is brought to be asserted.

12. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns, including without limitation, the covenants of Lender herein shall be specifically binding upon any purchaser of the Shopping Center at foreclosure or at a sale under power of sale.

13. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, said provision(s) shall be void and of no further force or effect.

14. This Agreement shall be governed and construed according to the laws of the state where the Shopping Center is located.

15. Lender shall not institute any litigation naming Tenant as a defendant for the purpose of foreclosing or otherwise terminating Tenant's leasehold interest in the Shopping Center or the Premises unless Tenant is required to be named in such litigation by law, and then only for the purpose of complying with the applicable foreclosure statute and so long as Tenant's failure to defend against any such action shall not result in a waiver of its rights to continued possession under the Lease as set forth in this Agreement. The term "Lender" as used herein shall include any successor-in-interest to the Lender (including a purchaser at foreclosure or sale in lieu thereof).

16. To be effective, any notice or other communication given pursuant to this Agreement must be in writing and shall be served (a) personally, or (b) by certified mail, return receipt requested, or (c) by reputable courier service which provides written evidence of delivery addressed as follows (or to such other address as requested by any party in writing or (d) by telephone facsimile upon which the date and time of transmission is imprinted to the number specified below. All notices given in the manner specified herein shall be effective upon actual receipt or upon refusal to accept delivery. For purposes hereof, Lender's address is:

Wells Fargo Bank Minnesota, N.A.  
c/o GEMSA Loan Services, L.P.  
1500 City West, Suite 200  
Houston, TX 77042  
Facsimile: (713) 458-7500  
Phone: (713) 458-7200  
Attn.: Portfolio-Manager

and Tenant's address is:

Ross Stores, Inc.  
8311 Central Avenue  
Newark, CA 94560-3433  
Facsimile: (510) 505-4174  
Phone: (510) 505-4400  
Attn.: Real Estate Legal Notice Department

and Landlord's address is:

Jefferson Square of Klamath, LLC  
501 Damont  
Klamath Falls, OR 97601  
Facsimile: (541) 783-2524  
Phone: (541) 891-0020  
Attn.: Walter Seput

At any time(s), each party may change its address for the purposes hereof by giving the other party a change of address notice in the manner stated above.

17. This Agreement (a) contains the entire understanding of Lender and Tenant regarding matters dealt with herein (any prior written or oral agreements between them as to such matters being superseded hereby), (b) can be modified or waived in whole or in part only by a written instrument signed on behalf of the party against whom enforcement of the modification or waiver is sought, and (c) will bind and inure to the benefit of the parties hereto and their respective successors and assigns.

18. In the event of any litigation arising out of the enforcement or interpretation of any of the provisions of this Agreement, the unsuccessful party shall pay to the prevailing party its reasonable attorneys' fees, including costs of suit, discovery and appeal. The "prevailing party" shall be that party who obtains substantially the relief sought in the action.

19. In the event the Lease is terminated as a result of Landlord's bankruptcy or reorganization, whereby Lender obtains fee title to the Shopping Center (or in the case Lender is the ground lessor, retains fee title without the encumbrance of the ground lease), Lender agrees that the Lease shall remain in effect as between Lender (as Landlord) and Tenant, subject to the terms of this Agreement, and, upon Tenant's written request, Lender and Tenant agree to execute a reinstatement agreement documenting that the Lease has been reinstated as between Lender (as Landlord) and Tenant and that the terms and conditions thereof shall be as stated in the Lease, subject to the provisions of this Agreement.

19. The term "Lender" shall be deemed to include the Lender hereunder and any of its successors and assigns, including anyone who shall have succeeded to Landlord's interest in and to the Lease and the Shopping Center by, through or under judicial foreclosure or sale under any power or proceedings brought pursuant to the Mortgage, or deed in lieu of foreclosure or proceedings, or otherwise.

20. Landlord is joining herein solely for the purpose of consenting hereto and agreeing that Lessee may rely upon any and all notices from Lender relating to the rights of Lender hereunder or under the Mortgage or any related Notice of Assignment of Rents and Leases in favor of Lender.

21. Tenant has not relied upon any representation (either oral or in writing) of Lender in executing the Lease or this Agreement, and Tenant shall look only to Landlord to fulfill the terms, covenants and conditions of the Lease.

22. Nothing contained in this Agreement shall in any way impair or affect the lien created by the Mortgage.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed as of the day and year first written above.

**TENANT:**  
**ROSS STORES, INC.,**  
 a Delaware corporation

By: \_\_\_\_\_

Gregg McGillis

Its: Vice President, Real Estate

**LANDLORD:**  
**JEFFERSON SQUARE OF KLAMATH,**  
**LLC, an Oregon limited liability company**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**LENDER:**

**WELLS FARGO BANK MINNESOTA,**  
 N.A., (formerly Norwest Bank Minnesota,  
 N.A.) as Trustee, under that certain Pooling  
 and Servicing Agreement dated as of June 1,  
 1998, for DLJ Commercial Mortgage  
 Pass-Through Certificates, Series 1998-CGI

By: \_\_\_\_\_

**GEMSA LOAN SERVICES, L.P.,**  
 successor by merger to GE Capital  
 Loan Services, Inc., in its capacity as  
 Servicer

By: \_\_\_\_\_

Pat McEntee

Its: Director, Portfolio Management

By: \_\_\_\_\_

Its: \_\_\_\_\_

1 State of California )

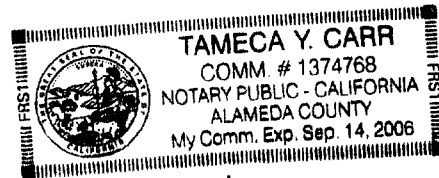
) ss.

2 County of Alameda )

3 On 4/7/04 before me, Tameca Y. Carr,

4 a Notary Public, personally appeared Gregg McGillis, personally known to me (or proved to me on the  
5 basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and  
6 acknowledged to me that he executed the same in his authorized capacity, and that by his signature on  
7 the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

8 WITNESS my hand and official seal.



11 Tameca Y. Carr  
Notary Public

12 State of Oregon )

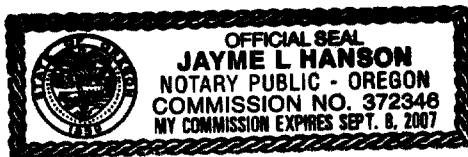
) ss.

13 County of Klamath )

14 On 4-12-04 before me, Jayne L. Hanson, a Notary

15 Public, personally appeared Walter S. S. S.,  
16 personally known to me or (proved to me on the basis of satisfactory evidence) to be the person(s) whose  
17 name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the  
18 same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
19 person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

20 WITNESS my hand and official seal.

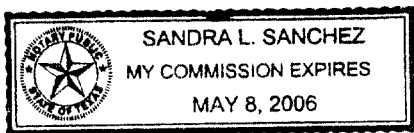


21 Jayne L. Hanson  
Notary Public

1 State of Texas )  
2 County of Harris ) ss.

3  
4 On July 21, 2004 before me, Sandra L. Sanchez, a Notary  
5 Public, personally appeared Pat McEntee,  
6 personally known to me or (proved to me on the basis of satisfactory evidence) to be the person(s) whose  
7 name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the  
8 same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
9 person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

10 WITNESS my hand and official seal.



Sandra L. Sanchez  
Notary Public



**EXHIBIT A**  
**LEGAL DESCRIPTION OF THE SHOPPING CENTER**

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

Starting at the Northwest corner of said Section 3; thence South 00 degrees 00' 30" East along the Westerly boundary of Section 3 and the centerline of Washburn Way, 917.42 feet to the intersection with the present centerline of Sixth Street, formerly known as the Dalles-California Highway, recorded bearing South 55° 52' 30" East, at Engineers Station 9 + 17.42 feet on Washburn Way and Engineers Station 16 + 14.87 feet on Sixth Street present centerline, and continuing thence along said boundary and centerline 48.32 feet to Engineers Station 9 + 65.74 feet on South boundary of Sixth Street, which is distant 40 feet at right angles Southwesterly from centerline of Sixth Street at Engineers Station 16 + 41.99 feet; thence South 55° 52' 30" East parallel to said centerline 463.02 feet to the true point of beginning of this description; thence from said true beginning point continuing South 55 degrees 52' 30" East parallel to said centerline 795.36 feet; thence at right angles South 34° 07' 30" West, 204.00 feet; thence South 55° 52' 30" East parallel to Sixth Street 145.00 feet; thence at right angles South 34° 07' 30" West, 183.80 feet, more or less, to Northerly right way line of the Oregon, California and Eastern Railroad; thence North 66° 57' 30" West along said line 982.45 feet, more or less, to a point on the Easterly right of way line of Washburn Way which is 40.00 feet Easterly of said centerline; thence North 00° 00' 30" West along said right of way line 503.39 feet; thence South 55° 52' 30" East, 306.22 feet; thence North 34° 07' 30" East, 160.00 feet to the true point of beginning.

Tax Account No.: 3909-003BC-00900-000

Key No.: 526087