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BOOK 78 PAGE 357

STATE MS.-DE SOTO CO.
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1621 GOODMAN ROAD, HORN LAKE, MS

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W.E. DAVIS CH. CLK.

This document prepared by and after recording is to be mailed to: Ballard, Spahr, Andrews & Ingersoll, LLP, Fred Wolf, III, Esquire, 800 E. Lombard Street, 19th Floor, Baltimore, Maryland 21202
800-554-7753

MAIL FUTURE TAX STATEMENTS TO: Heilig-Meyers Company, 12560 West Creek Parkway, Richmond, Virginia 23238-1110, Attn: Property Management

SUBORDINATION,
NON-DISTURBANCE AND
ATTORNMMENT AGREEMENT

LESSOR: J. CHARLES CARLSON, SOLELY IN HIS CAPACITY AS ADMINISTRATIVE TRUSTEE AND NOT INDIVIDUALLY, SOLELY FOR THE BENEFIT OF CRIC-HM SOUTHERN ONE TRUST

LESSEE: HEILIG-MEYERS COMPANY

LENDER: LEGG MASON REAL ESTATE SERVICES, INC.

EFFECTIVE DATE: July 31, 1998

DATE: July 24, 1998

SUBORDINATION, NON-DISTURBANCE AND
ATTORNMENMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT ("Agreement") is entered into as of the date specified in Exhibit, by and among HEILIG-MEYERS COMPANY, a Virginia corporation ("Tenant"), the lender specified in Exhibit B ("Lender"), and the the landlord specified in Exhibit B ("Landlord").

RECITALS

A. Pursuant to a lease dated as of the date hereof (the "Lease") between Landlord and Tenant, Tenant is a tenant of a certain building (the "Building") on certain real property located and more particularly described on Exhibit A attached hereto (the "Land"). Landlord's interest in the Building and the Land shall be referred to herein as the "Property".

B. Lender intends to make a Loan to Landlord in the amount set forth in Exhibit B with interest thereon (the "Loan"), evidenced by a promissory note and, as well as other financial accommodations evidenced by and secured in part by one or more mortgages or deeds of trust (the "Mortgage") constituting a valid lien upon the Property and secured in part by an assignment of Landlord's interest in the Lease as more particularly set forth in a certain assignment of leases (the "Assignment").

C. As a condition precedent to obtaining the Loan, Lender has required that Landlord and Tenant make certain agreements with Lender with respect to the Lease, which Landlord and Tenant have agreed to make in confirmation of the agreements contained in the Lease.

NOW, THEREFORE, in consideration of the foregoing facts and mutual covenants contained herein, and notwithstanding anything contained in the Lease to the contrary, the parties hereto do hereby agree as follows:

1. **Assignment; Payment.** Tenant hereby acknowledges and agrees that it has notice that the Lease and the rent and all other sums due thereunder have been assigned or are to be assigned to Lender as security for the obligations secured by the Mortgage and agrees to such assignment. Tenant shall pay such sums due under the Lease directly to Lender as provided in that certain Estoppel Certificate and Agreement dated on or about even date herewith made by tenant (and joined in by Landlord) for the benefit of Lender (the "Certificate and Agreement").

Landlord hereby permits said direct payments to be made and further agrees to indemnify and hold Tenant harmless from and against any and all loss, claim, damage or liability arising out of Tenant's compliance with such requirement. Tenant shall be entitled to full credit under the Lease for any rents paid to Lender in accordance with the provisions of this paragraph to the same extent as if such rents were paid directly to Landlord.

2. **Subordination.** Tenant acknowledges that the Lease, by operation of paragraph 7(b) of the Lease and upon the terms set forth therein, and any option to acquire or lease the Property or any part thereof except as expressly set forth in the Lease, shall at all times be subject and subordinate to the lien of the Mortgage in favor of Lender, and any renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding the foregoing, Lender shall have the right, at its sole option, at any time, to subordinate and subject the Mortgage, in whole or in part, to the Lease by recording a unilateral declaration to such effect.

3. **Nondisturbance.** So long as no Event of Default (as such term is defined in the Lease) shall be outstanding under the Lease, Tenant's tenancy thereunder shall not be disturbed, nor shall the Lease be affected by any default under the Mortgage, and in the event of a foreclosure or other enforcement of the Mortgage, or sale in lieu thereof, the purchaser at such foreclosure sale shall be bound to Tenant under the Lease for the remaining term of the Lease and any extensions thereof, the rights and obligations of Tenant thereunder shall expressly survive, and the Lease shall in all respects continue in full force and effect so long as Tenant fully performs all of its obligations thereunder. So long as no Event of Default by Tenant has occurred and is continuing under the Lease, Tenant shall not be named as a party defendant in any such foreclosure suit, except as may be required by law. Lender agrees that, during the time the Lease is in force, all insurance proceeds and condemnation awards shall be applied in accordance with the provisions of the Lease. Notwithstanding an Event of Default under the Lease, the provisions of Paragraph 7(d) thereof shall continue to apply for the benefit of any Qualified Subtenant defined in the Lease and referred to in Paragraph 18(e) of the Lease.

4. **Attornment.** At any time prior to the expiration of the term of the Lease, Tenant agrees, at the election and upon demand of any owner of the Property or of Lender, to attorn, from time to time, to any such owner or Lender, upon the terms and conditions of the Lease, for the remainder of the term originally demised in the Lease and for any renewal term, provided that such owner or Lender shall then be entitled to possession of the Property subject to the provisions of the Lease. The provisions of this Section 4 shall enure to the benefit of any such owner or Lender, shall apply notwithstanding that, as a matter of law, the Lease may terminate upon the foreclosure of the Mortgage, shall be self-operative upon any such demand, and no further instrument shall be required to give effect to said provisions, provided that, if requested by Lender, Tenant shall execute and deliver in recordable form an agreement of attornment consistent herewith to Lender and any such owner. Additionally, in such event, Tenant shall be bound to Lender, and Lender shall be bound to Tenant, subject to the terms of the Lease, under all of the terms, covenants and conditions of the Lease, and Lender and Tenant shall, from and after Lender's succession to the interest of Landlord under the Lease, have the same remedies

against each other for the breach of any provision contained in the Lease that they might have had under the Lease against each other if Lender were the original landlord under the Lease.

5. **Additional Agreements.** Tenant hereby agrees to and with Lender:

(a) Tenant shall not, without in each case the prior written consent of Lender, which shall not be unreasonably withheld, conditioned or delayed except as provided in subparagraph 5(b) below, (i) amend, modify, cancel or surrender the term of the Lease except as expressly permitted by the provisions of the Lease, or enter into any agreement with Landlord so to do, or (ii) pay any installment of Basic Rent (as defined in the Lease) more than one (1) month in advance of the due date thereof or otherwise than in the manner provided for in the Lease and in the Certificate and Agreement.

(b) Notwithstanding anything to the contrary in the foregoing subparagraph 5(a), Tenant shall not, without in each case the prior written consent of Lender, which may be withheld in Lender's sole discretion, amend or modify the Lease, or enter into any agreement with Landlord to do so, in any manner which would (A) decrease the amount or increase the time for payment of any Basic Rent, Additional Rent or other sum payable under the Lease, (B) diminish any of Tenant's absolute and unconditional obligations thereunder, or (C) result in any termination, cancellation or surrender thereof prior to the end of the initial term thereof (the parties agreeing that the foregoing shall not be construed to affect the rights or obligations of Tenant, Landlord or Lender with respect to any termination permitted under the express terms of the Lease).

Lender shall not be bound by any act or omission of Landlord or Tenant in violation of this Section 5.

6. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the state in which the Property is located.

7. **Binding Effect; Definitions.** The provisions of this Agreement shall be covenants running with the Property and shall be binding upon and inure to the benefit of the respective parties hereto and their respective heirs, legatees, executors, administrators, beneficiaries, successors and assigns, including without limitation (a) any person who shall obtain, directly or by assignment or conveyance, any interest in the Mortgage; (b) any transferee; or (c) any person who shall obtain any interest in the Property, whether through foreclosure or otherwise. As used herein, the term "Tenant" shall include Tenant, its successors and assigns; the words "foreclosure" and "foreclosure sale" as used herein shall be deemed to include the acquisition of Landlord's restate in the Property by voluntary deed (or assignment) in lieu of foreclosure; and the word "Lender" shall include Lender herein specifically named and any of its successors and assigns, including anyone who shall have succeeded to Landlord's interest in the Property by, through or under foreclosure of the Mortgage.

8. **Entire Agreement.** This Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the Lease and leasehold interest of Tenant to the Mortgage in favor of Lender, and, with respect to Lender and Tenant only, shall supersede and cancel any prior agreements as to such, or any, subordination, excluding, however, those provisions contained in the Lease which provide for the subordination of the Lease and leasehold interest of Tenant to a deed or deeds of trust or to a mortgage or mortgages to be thereafter executed, and shall not be modified or amended except in writing signed by all parties hereto.

9. **Invalidity or Unenforceability.** If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

10. **Number and Gender.** The use of the neuter gender in this Agreement shall be deemed to include any other gender, and words in the singular number shall be held to include the plural, when the sense requires.

11. **Notice.** Any notice required or allowed by this Agreement shall be in writing and its delivery and receipt shall be as set forth in the Lease; addressed to the party intended to receive the same at the address set forth below:

If to Tenant, at the address specified in Exhibit B.

If to Landlord, at the address specified in Exhibit B.

If to Lender, at the address specified in Exhibit B.

The parties may, by written notice to the others, designate a different mailing address for notices.

12. **Lender Not Bound, Etc.** If Lender becomes the owner of the Property by foreclosure or otherwise, Lender shall not be (a) bound by or liable for any act or omission of any prior landlord (including Landlord), (b) subject to any claims, offsets or defenses which Tenant may have against any prior landlord (including Landlord), or (c) bound by any Additional Rent or other prepaid charge paid to any prior landlord (including Landlord).

13. **Limitation of Lender's Liability.** Lender shall have no liability with respect to completion of any improvements nor any costs associated therewith, nor with respect to any representations or warranties of any kind concerning the Property. If Lender becomes the owner of the Property, then, if and to the extent Lender shall incur any liability to Tenant, such liability shall be limited solely to Lender's equity interest in the Property, if any. Lender shall not, either by virtue of the Mortgage, Assignment of the Lease to Lender or this Agreement, be or become a mortgagee in possession or be or become subject to any liability or obligation under the Lease or otherwise until Lender shall have acquired the interest of Landlord in the Property, by

foreclosure or otherwise, and then such liability or obligation of Lender under the Lease shall extend only to those liability or obligations accruing subsequent to the date that Lender has acquired the interest of Landlord in the Property.

14. **Right to Cure.** Tenant agrees that, in the event of any act or omission by Landlord which Tenant claims would give Tenant the right, either immediately or after lapse of time, to abate, offset or delay payment of rent, terminate the Lease, or claim partial or total eviction, Tenant will not exercise any such right until it has given Lender written notice thereof and a reasonable period of time to effect such cure. Nothing herein shall be construed to obligate Lender to effect or attempt to effect any such cure or to otherwise be liable for performance of any obligation of Landlord under the Lease accruing prior to the date Lender shall have acquired the interest of Landlord in the Property.

15. **Right of Entry.** Lender and its authorized representatives shall have the same rights of entry on the Property as are granted Landlord under Section 16 of the Lease.

[Remainder of this page intentionally left blank]

J. Charles Carlson

J. CHARLES CARLSON, in his capacity as Administrative Trustee and not individually, of CRIC-HM SOUTHERN ONE TRUST

COMMONWEALTH OF MASSACHUSETTS

SS:

COUNTY OF SUFFOLK

BEFORE ME, the undersigned Notary Public in and for said County and State, this 24 day of July, 1998, personally appeared the above-named J. CHARLES CARLSON, known to me individually as Administrative Trustee of CRIC-HM SOUTHERN ONE TRUST, a Delaware business trust who, being duly sworn, acknowledged that the statements therein are true and that he did execute the foregoing instrument as his free act and deed, and in his capacity as Administrative Trustee of CRIC-HM SOUTHERN ONE TRUST, and that the same is the duly authorized act and deed of said trust.

WITNESS my hand and official seal this 24 day of July, 1998.

Marilyn Rubbert

Notary Public



TENANT:

HEILIG-MEYERS COMPANY,
a Virginia corporation

By: *B. Lee Fletcher*
B. Lee Fletcher
Vice President

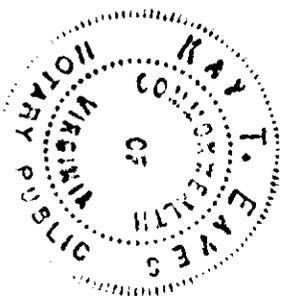
COMMONWEALTH OF VIRGINIA
CITY OF RICHMOND

PERSONALLY came and appeared before me, the undersigned authority in and for said City and State, on this 25 day of July, 1998, within my jurisdiction, the within named B. Lee Fletcher, who acknowledged that he is the Vice President of HEILIG-MEYERS COMPANY, a Virginia corporation, and that for and on behalf of the said corporation, and as the act and deed of said corporation, he executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

Kay T. Eaves
NOTARY PUBLIC

My commission expires:

FEB 28 2000



MS

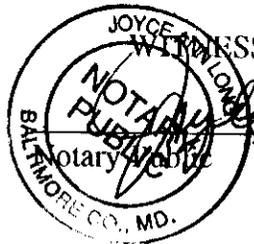
Legg Mason Real Estate Services, Inc., a
Pennsylvania corporation

By: Margaret M. Pasquarella (SEAL)
Name: MARGARET M. PASQUARELLA
Title: VICE PRESIDENT

STATE of Maryland
CITY of Baltimore

SS:

31st BEFORE ME, the undersigned Notary Public in and for said County and State, this
day of July, 1998, personally appeared the above-named
Margaret M. Pasquarella, known to me individually as Vice President, of
Legg Mason Real Estate Services, Inc., a Pennsylvania corporation, who, being duly
sworn, acknowledged that the statements therein are true and that he/she did execute the
foregoing instrument as his/her free act and deed, and in his/her capacity as
Vice President of said corporation, and that the same is the duly authorized
act and deed of said corporation.



WITNESS my hand and official seal this 31st day of July, 1998.
Joyce Ann Long
JOYCE ANN LONG
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires June 1, 2000

[Store 1006, Horn Lake, MS]

EXHIBIT A

ALL those certain lots, pieces or parcels of land with all improvements thereon and all appurtenances thereunto belonging, being more particularly described as follows:

LOT 54, SECTION "C", GOODMAN 51 COMMERCIAL & INDUSTRIAL PARK in Section 35, Township 1 South, Range 8 West, DeSoto County, Mississippi, as per plat thereof recorded in Plat Book 53, Page 25, in the Office of the Chancery Clerk of DeSoto County, Mississippi, being more particularly described by metes and bounds as follows:

Commencing at a point commonly accepted as the Northeast corner of said Quarter Section, said point being the intersection of the centerline of U.S. Highway 51 at Station 131+25.65 with the centerline of Mississippi Highway 302 at Station 394+53.97; thence run South 84 degrees, 06 minutes, 59 seconds West a distance of 1004.07 feet to a point on the South right-of-way line of said Mississippi Highway 302 at the Northwest corner of the Turman and Adams property, said point being 100.00 feet South of the centerline of said highway and the Point of Beginning; thence run South 00 degrees, 33 minutes, 02 seconds East a distance of 408.00 feet along the West line of said Turman and Adams property to a point; thence run South 89 degrees, 25 minutes, 07 seconds West a distance of 250.68 feet to a point on the East right-of-way line of Pasadena Drive (50 feet wide); thence run North 00 degrees, 34 minutes, 53 seconds East a distance of 234.95 feet along said East right-of-way line to the point of curvature of a curve to the right (D=34'22'01", R=150.00 feet); thence run Northeasterly a distance of 89.97 feet along said right-of-way line and curve to the point of tangency of said curve; thence run North 33 degrees, 47 minutes, 08 seconds East a distance of 6.35 feet along said right-of-way line to the point of curvature of a curve to the left (D=34'06'43", R=150.00 feet); thence run Northeasterly a distance of 89.97 feet along said East right-of-way line to a point on said South right-of-way line of Mississippi Highway 302; thence run North 89 degrees, 52 minutes, 12 seconds East a distance of 194.95 feet along said South right-of-way line to the Point of Beginning and containing 2.23 acres. Bearings shown are based on bearings shown on the Final Plat of Section "C", GOODMAN 51 COMMERCIAL & INDUSTRIAL PARK.

1621 Goodman Road, Horn Lake, Mississippi

EXHIBIT B

1. Date: July 24, 1998 Effective Date: July 31, 1998
2. Lessee: Heilig-Meyers Company, a Virginia corporation

Lessee's
Address: 12560 West Creek Parkway
Richmond, Virginia 23238-1110
Attention: Property Management

With a copy to: McGuire, Woods, Battle & Boothe LLP
One James Center
Richmond, Virginia 23219
Attention: Robert L. Burrus, Jr.
3. Lender: Legg Mason Real Estate Services, Inc., a Pennsylvania corporation

Lender's
Address: 15280 Northwest 79th Court
Suite 102
Miami Lakes, FL 33016-5852
4. Lessor: J. Charles Carlson, solely in his capacity as Administrative
Trustee and not individually, solely for the benefit of CRIC-HM
Southern One Trust

Lessor's
Address: CRIC-HM Southern One Trust
c/o Corporate Realty Investment Company L.L.C.
One Exeter Plaza, 11th Floor
Boston, Massachusetts 02116
Attention: Chief Operating Officer

With a copy to: Hale and Dorr, LLP
60 State Street
Boston, Massachusetts 02109
Attention: William R. O'Reilly, Jr.
5. Amount of loan: \$2,252,058.85