

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement") is made as of the 4th day of ~~February~~^{March}, 1999, between Value Enhancement Fund II, LLC, a Georgia limited liability company ("Landlord"), Seessel Holdings, Inc. c/o Albertson's, Inc., a Delaware corporation ("Tenant"), and PNC Bank, National Association ("Mortgagee").

WITNESSETH:

WHEREAS, Tenant, as successor in interest to Malone & Hyde, Inc., is the holder of a leasehold interest in that certain real property together with all buildings and improvements thereon and all easements, rights and appurtenances thereto located in the City of Southaven, County of Desoto, State of Mississippi, more specifically described in Exhibit "A" attached hereto and by this reference incorporated herein ("Leased Premises") pursuant to that certain Lease dated as of May 11, 1989, between Landlord, as landlord, and Tenant, as tenant, a Short Form Lease of which was recorded in the Office of the Chancery Court of Desoto County, Mississippi. The Shopping Center Lease and Short Form Lease are hereinafter referred to as "Lease;" and

WHEREAS, the Leased Premises are part of a larger tract of land located in the City of Southaven, County of Desoto, State of Mississippi ("Shopping Center"); and

WHEREAS, pursuant to Section 10 ("Subordination and Non-Disturbance") of the Lease, Tenant has agreed to subordinate its rights under the Lease to the lien of any first mortgage or deed of trust placed on the Leased Premises or Shopping Center by Landlord subject to the execution of a Subordination, Non-Disturbance and Attornment Agreement; and

WHEREAS, Mortgagee is the mortgagee under that certain Mortgage encumbering the Shopping Center dated on or near the date hereof, recorded contemporaneously herewith in the Office of the Chancery Court Clerk of Desoto County, Mississippi ("Mortgage"); and

WHEREAS, the parties desire to subordinate the Lease to the Mortgage and to establish certain rights of quiet and peaceful possession to the Leased Premises for Tenant's benefit together with certain obligations of attornment, all in the manner hereinafter provided.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed between the parties as follows:

After Recording, Return To:
Holcomb Dunbar, P.A.
P.O. Box 190
Southaven, MS 38671
601.349.0664
File No. 976-680 Initials SDH

4709snda

STATE MS.-DESOTO CO.
FILED

MAY 27 1 46 PM '99

BK 81 PG 233
W.E. DAVIS CH. CLK.

1. Tenant agrees that the Lease is and shall at all times be subordinate to the Mortgage and to any and all extensions, modifications, consolidations, renewals and replacements thereof, subject, however, in all events to the provisions of this Agreement.

2. Mortgagee agrees that, if no default exists under the Lease which at such time would then permit Landlord to terminate the Lease or to exercise any dispossession remedy provided for therein, (a) Tenant will not be made a party in any action or proceeding to foreclose the Mortgage or to remove or evict Landlord from the Leased Premises or from any part of the Shopping Center; (b) Tenant will not be evicted or removed from the Leased Premises or from any part of the Shopping Center nor will its possession or right to possession of the Leased Premises or of any part of the Shopping Center under the Lease for the term thereof (including any and all extensions or renewals or options to purchase thereof effected in accordance with any option therefor in the Lease) be terminated or disturbed or in any way interfered with by any action taken by Mortgagee to enforce any rights or remedies under the Mortgage; and (c) Mortgagee, upon succeeding to Landlord's interest in the Leased Premises, will recognize the Lease and Tenant as its direct tenant under the Lease for the full term thereof (including any and all extensions or renewals or options to purchase thereof effected in accordance with any option therefor in the Lease), and will be bound by and perform all of the obligations of Landlord set forth in the Lease as if said person were originally named therein as the landlord thereunder.

3. Tenant agrees that, if the interest of Landlord in the Leased Premises shall be transferred to and owned by Mortgagee by reason of foreclosure or other proceeding brought by it under any present or future lien against Landlord's interest in the Leased Premises, or by any other manner, Tenant shall be bound to the Mortgagee under all of the terms, covenants, conditions and agreements set forth in the Lease for the balance of the term thereof remaining (including any and all extensions or renewals or options to purchase thereof effected in accordance with any option therefor in the Lease) with the same force and effect as if Mortgagee were originally named therein as the landlord thereunder, and Tenant does hereby agree to attorn to Mortgagee as its landlord thereunder so as to establish direct privity of estate and contract between Mortgagee and Tenant, said attornment to be effective and self-operative without the execution of any further instruments on the part of either of the parties hereto immediately upon Mortgagee succeeding to the interest of Landlord in the Leased Premises; provided however, that in such event, Mortgagee shall not be (a) personally liable for any act or omission of any prior landlord (including the Landlord) (but Tenant shall have and in all events retain the right to offset against any rent due under the Lease all amounts expended by Tenant to cure any default of Landlord pursuant to Section 25[i] of the Lease, so long as Tenant has given Mortgagee prior written notice of such default of Landlord as required in Paragraph 8 of this Agreement, (b) liable for the return of any security deposit not actually received by the Mortgagee, (c) bound by any

advance payment of rent or additional rent made by the Tenant to the Landlord, except for rent or additional rent applicable to the then current month, (d) bound by any amendment or modification of the Lease made without the written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed, or (e) bound to effect or pay for any construction for Tenant's occupancy.

4. Mortgagee hereby ratifies, confirms, approves and agrees to be bound by each and every term, covenant, condition and agreement contained in the Lease as if each thereof were set forth herein at length, and each of said terms, covenants, conditions, options and agreements shall inure to the benefit of and be enforceable by Tenant, its successors and assigns, including, without limitation, the mortgagee or beneficiary under any mortgage or deed of trust on Tenant's interest in the Lease or the Leased Premises, its successors and assigns. Mortgagee covenants and agrees that in the event of a conflict, whether in the express provisions or by reason of variation in inclusion of provisions, between the Mortgage and the Lease, the provisions of the Lease shall govern for all purposes. Mortgagee hereby acknowledges and agrees that, with respect to any assignment of rents contained in the Mortgage, said assignment shall apply only to the rent which Landlord is entitled to receive pursuant to the Lease.

5. Mortgagee agrees that all condemnation awards and insurance proceeds payable to Landlord or Mortgagee with respect to the Leased Premises or the Shopping Center shall be paid and applied to restoration of the Leased Premises and the Shopping Center in accordance with the provisions of the Lease.

6. For the purpose of this Agreement, (a) the term "Lease" shall be deemed to include all amendments, modifications and supplements thereto provided, however, that no such amendment, modification or supplement shall be binding on Mortgagee without Mortgagee's written consent, which consent shall not be unreasonably withheld or delayed; (b) the term "foreclosure" shall be deemed to include the acquisition of Landlord's interest in the Leased Premises by foreclosure or pursuant to the exercise of any power of sale contained in the Mortgage, or by deed (or assignment) given in lieu of, or in anticipation of, foreclosure or the exercise of any such power of sale, or by any other means whatsoever; and (c) the term "Mortgagee" shall be deemed to include anyone who succeeds to Landlord's interest in the Leased Premises pursuant to the Mortgage including, without limitation, any purchaser at foreclosure or pursuant to the exercise of any power of sale contained in the Mortgage, or any grantee of a deed (or assignment) given in lieu of, or in anticipation of, foreclosure or the exercise of any such power of sale.

7. If any term, covenant, condition or agreement contained in this Agreement or the application thereof to any person, firm or entity shall at any time or to any extent be deemed or found to be invalid or unenforceable by operation of law, judicial proceedings or otherwise, the

remainder of this Agreement or the application of such term, covenant, condition or provision to persons or entities or to circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each remaining term, covenant, condition or provision of this Agreement or the application thereof shall be valid and enforced to the fullest extent permitted by law.

8. All notices given pursuant to this Agreement shall be in writing and shall be given by personal delivery, by United States registered or certified mail, or by United States express mail or other established express delivery service (such as Federal Express), postage or delivery charge prepaid, return receipt requested, addressed to the appropriate party at the address set forth below:

Landlord: Value Enhancement Fund II, LLC
c/o Weston Retail Management, Inc.
6075 Poplar Ave., Suite 322
Memphis, TN 38119

With a copy to:

Value Enhancement Fund II, LLC
VEFII Southaven/Ere Varmouth
As Advisor, Weston Agent
P.O. Box 502776
St. Louis, MO 63150-2776

Tenant: Secssel Holdings, Inc.
c/o Albertson's, Inc.
250 ParkCenter Blvd.
P.O. Box 20
Boise, ID 83726
Attention: Legal Department

Mortgagee: PNC Bank, National Bank
1600 Market Street, 30th Floor
Philadelphia, PA 19103

The person and address to which notices are to be given may be changed at any time by any party upon written notice to the other party. All notices shall be deemed given upon receipt. For the purpose of this Agreement, the term "receipt" shall mean any of the following: (a) the date of delivery of the notice or other document as shown on the return receipt; (b) the date of actual receipt of the notice or other document by the person or entity specified pursuant to this section; or (c) in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of (i) the date of the attempted delivery or refusal to accept delivery, (ii) the date of the postmark on the return receipt, or (iii) the date of receipt of notice of refusal or notice of nondelivery by the sending party. The Tenant will, concurrently with the giving of any notice of default to the Landlord, give PNC written notice (at the above address) of any such default by the Landlord under the Lease. PNC will contemporaneously have the same opportunity as is given

to Landlord under the Lease to cure any such default by the Landlord before the exercise of any rights the Tenant may have pertaining to such default.

9. If any litigation is commenced between the parties hereto concerning this Agreement or the rights or obligations of any party in relation thereto, the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its attorney's fees in such litigation (including any appeal thereof), which sum shall be determined by the court in such litigation or in a separate action brought for that purpose.

10. This Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representative, successors and assigns, including, without limitation, the mortgagee or beneficiary under any mortgage or deed of trust on Tenant's interest in the Lease or the Leased Premises, its successors and assigns.

11. This Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which together shall constitute but one and the same instrument, and shall be effective upon execution of one or more of such counterparts by each of the parties hereto.

12. This Agreement contains the entire agreement between the parties and supercedes all prior agreements, oral or written, with respect to the subject matter hereof. This Agreement may not be modified in any manner whatsoever except by an instrument in writing signed by each of the parties hereto.

13. In construing the provisions of this Agreement and whenever the context so requires, the use of a gender shall include all other genders, the use of the singular shall include the plural, and the use of the plural shall include the singular.

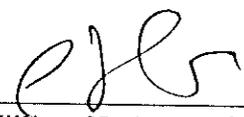
14. This Agreement shall be recorded in the Office of the Chancery Court Clerk of Desoto County, Mississippi.

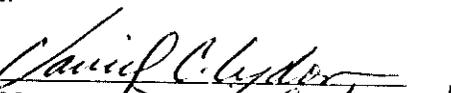
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

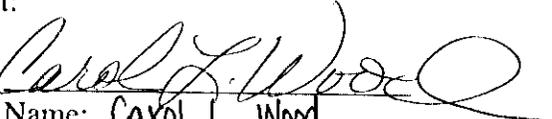
MORTGAGEE:
PNC Bank National Association

As **TENANT:**
Seessel Holdings, Inc. a Tennessee corporation and wholly owned subsidiary of Albertson's, Inc., a Delaware corporation

BY: 
Name: Andrew D. Cole
Title: Vice President

BY: 
Name: William H. Arnold Charles F. Cole
Vice President

Attest:
BY: 
Name: DAVID C. Lydon
Title: Vice President

Attest:
BY: 
Name: Carol L. Wood
Title: Assistant Secretary

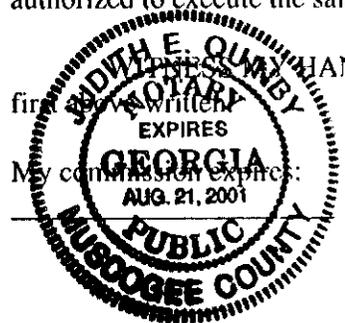
GEORGIA
STATE OF MISSOURI)
County of FULTON)

ss.

On this 15th day of MARCH 1999, before me, the undersigned, a Notary Public in and for said State, personally appeared B. Stanton Beeson and Marcelle to me known to be the Vice President of Land Lease and Real Estate Investments Inc., respectively, of VALUE ENHANCEMENT FUND II, LLC, the Georgia limited liability company that executed the foregoing instrument, and acknowledged to me that the said instrument is the free and voluntary act and deed of said joint venture, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

for _____ HAND and official seal hereto affixed the day, month and year in this certificate written

My commission expires: AUG. 21, 2001



Judith E. Quiby
Notary Public in and for the
State of Georgia
Residing at _____

Located in the Northeast Quarter (NE 1/4) of Section 31, Township 1 South, Range 7 West, Southaven, Desoto County, Mississippi, and more particularly described as follows:

! Begin at a point at the accepted northeast corner of Section 31, Township 1 South, Range 7 West, said point being the approximate centerline intersection of Goodman (Mississippi State Highway No. 302) Road and Swinnea Road; thence South 03 degrees 59 minutes 44 seconds East 245.07 feet with the centerline of Swinnea Road to the True Point of Beginning for the herein described tract; thence continue South 03 degrees 59 minutes 44 seconds East 525.96 feet with said centerline to a point; thence South 87 degrees 15 minutes 54 seconds West 690.36 feet with the northerly line of Southern Pines Subdivision (Plat Book 21, Page 43-46) to an iron stake (found); thence South 04 degrees 50 minutes 56 seconds West 52.15 feet to an iron stake; thence South 00 degrees 13 minutes 19 seconds East 57.04 feet to an iron stake (found); thence South 85 degrees 53 minutes 31 seconds West 159.95 feet with a northerly line of said subdivision to a P.K. Nail in the present centerline of Southern Pine Drive; thence South 04 degrees 10 minutes 34 seconds East 31.69 feet with said centerline to a P.K. Nail; thence South 85 degrees 53 minutes 36 seconds West 462.31 feet with the northerly line of said subdivision to an iron stake; thence North 03 degrees 30 minutes 58 seconds West 845.98 feet to a point in the new southerly line of Goodman (Mississippi Highway No. 302); thence North 87 degrees 15 minutes 51 seconds East 25.02 feet to a point; thence North 02 degrees 44 minutes 09 seconds West 20.00 feet to a point; thence North 81 degrees 32 minutes 51 seconds East 50.20 feet with the southerly line of said road to a point; thence North 87 degrees 15 minutes 51 seconds East 900.00 feet with the southerly line of said road to a point; thence North 83 degrees 26 minutes 51 seconds East 75.20 feet with the southerly line of said road to a point; thence North 87 degrees 15 minutes 51 seconds East 13.60 feet with the southerly line of said road to a point in the westerly line of the Grenada Bank Tract; thence South 03 degrees 59 minutes 53 seconds East 194.92 feet with the westerly line of said Bank tract to an iron stake (found); thence North 87 degrees 15 minutes 27 seconds East 253.10 feet to the point of beginning containing 22.5792, more or less, acres of land.