

MAY 28 2 06 PM '99

BK 81 PG 243  
W.E. DAVIS CH. CLK.

This Instrument Prepared by  
and Return to:  
Apperson, Crump & Maxwell, PLC  
1755 Kirby Parkway, Suite 100  
Memphis, Tennessee 38120-4376

## SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

This Agreement, made and entered into this 28<sup>th</sup> day of May, 1999 by and between AUTOMATIC LAUNDRY COMPANY, LTD., successor in interest to Solon Automated Services, Inc. ("Tenant"), whose address is 3053 Bellbrook Drive, Memphis, Tennessee 38116, SOUTHCREST LAKE APARTMENTS, A Tennessee General Partnership ("Borrower" or "Landlord"), whose address is 1010 June Road, Memphis, Tennessee 38119, and FINANCIAL FEDERAL SAVINGS BANK ("Lender"), whose address is 6305 Humphreys Boulevard, Suite 100, Memphis, Tennessee 38120.

### RECITALS

A. Lender has agreed to make a first mortgage loan (the "Loan") to Borrower, repayment of which is to be secured by a Multifamily Deed of Trust, Assignment of Leases and Security Agreement (the "Mortgage") on the real property commonly known as Southcrest Lake Apartments and the improvements thereon (the "Property"), which Property is more particularly described on attached Exhibit A. The parties acknowledge that the Mortgage is being recorded concurrently with the recording of this instrument.

B. Tenant, as successor in interest, is the present lessee under a lease agreement between Solon Automated Services and Landlord dated April 1, 1990, as of June 8, 1990 (the "Lease"), on the portion of the Property consisting of all laundry rooms and other facilities on the Property for the installation and operation of laundry equipment (the "Leased Premises").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, Lender and Tenant agree as follows:

1. Subordination. Tenant agrees that the Lease, and the rights of Tenant in, to and under the Lease and the Property, are hereby subject and subordinated, and shall remain in all respects and for all purposes subject and subordinate, to the lien of the Mortgage, and to any and all renewals, modifications and extensions of the Mortgage, and any and all other instruments held by Lender as security for the Loan.

2. Tenant Not To Be Disturbed. Lender agrees that, so long as Tenant is not in default under the Lease, Tenant's possession and occupancy of the Leased Premises shall not be interfered with or disturbed by Lender during the term of the Lease.

3. Tenant Attorns To Lender. If Lender becomes the owner of the Premises by reason of foreclosure or other proceedings brought to enforce the Mortgage or by deed in lieu of foreclosure, the Lease shall continue in full force and effect as if Lender were the

original Landlord and Tenant hereby attorns to Lender as its landlord, except Lender shall not be:

(a) Liable for any act or omission of any prior landlord (including Landlord); or

(b) Subject to any offsets or defenses which Tenant might have against any such prior landlord (including Landlord); or

(c) Bound by any prepayment of rent which Tenant might have paid, except as otherwise expressly required by the terms of the Lease; or

(d) Bound by any future amendment or change in any term of the Lease or by any waiver of any term of the Lease, unless agreed to and accepted in writing by Lender.

4. Third-Party Owner. If someone acquires the Property through Lender, whether at a trustee or foreclosure sale or otherwise, that third party shall have the same rights and obligations to continue the Lease with Tenant as Lender would have under the preceding paragraphs 2 and 3.

5. No Purchase Options. Tenant acknowledges that it has no option to purchase, right of first refusal, or other right to acquire all or any of the Property.

6. Lender's Option to Cure Landlord's Default. Tenant agrees that it will notify Lender if Landlord is in default under the Lease and will give Lender thirty (30) days after receipt of such notice in which to cure the default before Tenant invokes any of its remedies under the Lease. However, Lender shall not in any way be obligated to cure such default.

7. Assignment of Lease. Tenant understands that Landlord's interest in the Lease has been assigned to Lender as security under the Mortgage. Until Lender becomes owner of the Property, however, Lender assumes no duty, liability or obligation to Tenant under the Lease.

8. Notices. Any notices under this Agreement shall be sent by certified mail. Any notice sent to Lender shall be sent to Lender at 6305 Humphreys Boulevard, Suite 100, Memphis, Tennessee 38120, attn: Steve A. Sutton. Any notice sent to Tenant shall be sent to Tenant c/o the property manager at the Leased Premises.

9. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties and their heirs, administrators, representatives, successors and assigns.

10. Estoppel. The Lease is in full force and effect. Neither Tenant nor Landlord is in default under the terms of the Lease, except: None

*ors*  
Dated this 28 day of ~~March~~ <sup>May 28,</sup> 1999.

LENDER:

FINANCIAL FEDERAL SAVINGS BANK

By: *Steve A. Sutton*  
Steve A. Sutton, Senior Vice President

TENANT:

AUTOMATIC LAUNDRY COMPANY, LTD.

By: *Ken R. Jones*  
Title: *Authorized Representative*

Dated this \_\_\_ day of March, 1999.

LENDER:

FINANCIAL FEDERAL SAVINGS BANK

By: \_\_\_\_\_  
Steve A. Sutton, Senior Vice President

TENANT:

AUTOMATIC LAUNDRY COMPANY, LTD.

By: Ken R. Jones

Title: Authorized Representative

STATE OF TENNESSEE  
COUNTY OF SHELBY

Personally appeared before me, the undersigned authority in and for the said County and State, on this 28<sup>th</sup> day of March, 1999, within my jurisdiction, the within named Steve A. Sutton, who acknowledged that he is a senior vice president of Financial Federal Savings Bank, a federal banking corporation, and that for and on behalf of the said corporation and as its act and deed as a senior vice president of said corporation, he executed the above and foregoing instrument after first having been duly authorized by said corporation so to do.

Linda D. Scholl  
Notary Public

My Commission Expires:  
2-27-02



STATE OF TENNESSEE  
COUNTY OF SHELBY

Personally appeared before me, the undersigned authority in and for the said County and State, on this 17 day of March, 1999, within my jurisdiction, the within named Kim R. Jones, who acknowledged that he/she is a n Auth. Rep. of Automatic Laundry Company, Ltd., a Ltd. Ptnrship, and that for and on behalf of the said Ltd. Pntnsh and as its act and deed as a n Auth. Rep. of said Ltd. Pntn, he/she executed the above and foregoing instrument after first having been duly authorized by said Ltd. Ptnrsh to do.

Camela Louise Joague  
Notary Public

My Commission Expires:  
MY COMMISSION EXPIRES JUNE 4, 2002

STATE OF TENNESSEE  
COUNTY OF SHELBY

Personally appeared before me, the undersigned authority in and for the said County and State, on this \_\_\_ day of March, 1999, within my jurisdiction, the within named Steve A. Sutton, who acknowledged that he is a senior vice president of Financial Federal Savings Bank, a federal banking corporation, and that for and on behalf of the said corporation and as its act and deed as a senior vice president of said corporation, he executed the above and foregoing instrument after first having been duly authorized by said corporation so to do.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
  
\_\_\_\_\_

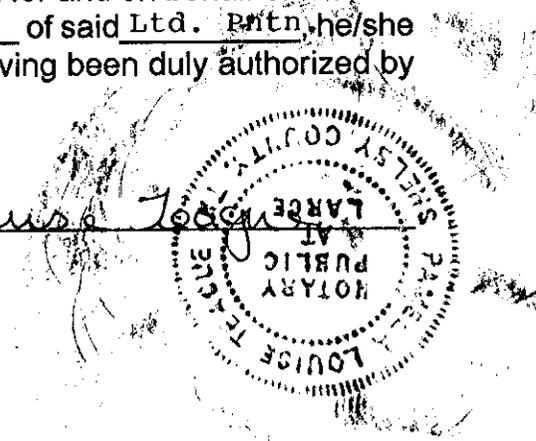
STATE OF TENNESSEE  
COUNTY OF SHELBY

Personally appeared before me, the undersigned authority in and for the said County and State, on this 17 day of March, 1999, within my jurisdiction, the within named Kim R. Jones, who acknowledged that he/she is a n Auth. Rep. of Automatic Laundry Company, Ltd., a Ltd. Ptnrship, and that for and on behalf of the said Ltd. Pntnshp and as its act and deed as a n Auth. Rep. of said Ltd. Pntn. he/she executed the above and foregoing instrument after first having been duly authorized by said Ltd. Ptnrshp so to do.

Carmela Louise Todd  
Notary Public

My Commission Expires:

MY COMMISSION EXPIRES JUNE 4, 2002



CONSENT OF LANDLORD

Landlord hereby consents to, and agrees to be bound by, the above Agreement. Upon foreclosure of the Loan or any transfer of title to the Property to Lender or any successor, Landlord will transfer any security, rental or other deposit held by Landlord under the Lease to Lender or its successor or any purchaser at a foreclosure sale.

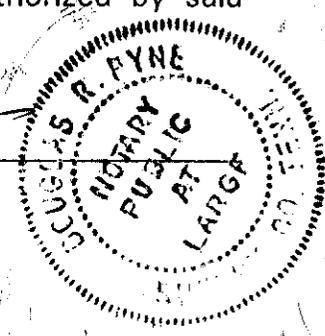
SOUTHCREST LAKE APARTMENTS,  
A Tennessee General Partnership

By: *Jerome B. Makowsky*  
Title: Managing Partner

STATE OF TENNESSEE  
COUNTY OF SHELBY

Personally appeared before me, the undersigned authority in and for the said County and State, on this 27<sup>th</sup> day of May, 1999, within my jurisdiction, the within named Jerome B. Makowsky who acknowledged that he is a partner of Southcrest Lake Apartments, A Tennessee General Partnership, and that for and on behalf of the said partnership and as its act and deed as a partner of said partnership, he executed the above and foregoing instrument after first having been duly authorized by said partnership so to do.

*D. R. Pyne*  
Notary Public



My Commission Expires:

2/2/2003