

BK 0942 PG 0472

STATE MS. - DE SOTO CO.
FILED

OCT 17 1 47 PM '97

BK 942 PG 472
W.E. DAVIS CH. CLK.

RETURN RECORDED DOCUMENT TO:

WALGREEN CO.
200 Wilmot Road, Dept. #2252
Deerfield, Illinois 60015
Attn: Mary Butler

This Instrument Prepared by:
William A. Montgomery, Jr.
200 Wilmot Road, Deerfield, Illinois 60015

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT**

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT made in multiple copies as of the 1 day of October, 1997, by and between PNC BANK, KENTUCKY, INC., ("Noteholder"), WN STATELINE, L.L.C., a Tennessee limited liability company ("Landlord"), and WALGREEN CO., an Illinois corporation ("Tenant");

WITNESSETH:

WHEREAS, by Lease dated May 15, 1997, by and between WN Stateline, L.L.C., a Tennessee limited liability company, as Landlord therein, and Walgreen Co., an Illinois corporation, as Tenant, Landlord leased to Tenant certain premises therein described and located in the City of Southaven, DeSoto County, Mississippi ("Leased Premises") and being more particularly described on Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, Landlord has granted to Noteholder a lien or encumbrance on certain real property described in Exhibit "A" attached hereto and by reference incorporated herein by certain Deed of Trust and Security Agreement ("Deed of Trust") by Landlord in favor of Lender in the amount of \$2,430,000.00, dated May 27, 1997, recorded in the Office of the County Clerk and Recorder of DeSoto County, Mississippi, under ~~Instrument No.~~ Book 909, Page 479; and

WHEREAS, Noteholder, Landlord and Tenant desire to confirm their understanding with respect to said Lease and said Deed of Trust;

NOW, THEREFORE, in consideration of the Premises and the mutual covenants and promises contained herein and other good and valuable consideration, the parties agree as follows:

1. Subject to the covenants, terms and conditions of this Agreement, the lien of said Lease is hereby subordinated to the lien of said Deed of Trust.
2. In the event Noteholder or any other party acquires title or right of possession of the Leased Premises under said Deed of Trust through foreclosure, or otherwise, said Lease shall remain in full force and effect and Tenant shall continue possession of the Leased Premises in accordance with the terms and provisions of said Lease. In such event, Noteholder or any other party shall be in all respects bound by said Lease as Landlord and by all of Tenant's rights thereunder, provided that Tenant is not in continued default, after notice, in the payment of rent or otherwise under the terms of said Lease.
3. So long as Noteholder shall be bound by the terms and conditions of said Lease, Tenant shall attorn to Noteholder when Noteholder is in possession of the Leased Premises, whether such possession is pursuant to Noteholder's rights under said Deed of Trust, or otherwise, and will continue occupancy of the Leased Premises under the same terms and conditions of said Lease.
4. In the event any proceedings are brought by Noteholder in connection with or arising out of said Deed of Trust, including, but not limited to, any foreclosure or other such action to enforce payment of any amounts due Noteholder, Noteholder agrees that it shall not joint Tenant as a party to any such action or proceeding.
5. Noteholder shall promptly advise Tenant upon the release, cancellation or termination of said Mortgage.
6. Landlord hereby directs Tenant to pay all fixed rent payable under the Lease to Noteholder (and to comply with such direction to pay without determining whether an event of default exists under the Deed of Trust), until further notice from Noteholder, and Landlord hereby expressly agrees that any such payment shall discharge any

obligation to Tenant to Landlord, under the Lease to the extent of such payment. Such payments shall be direct to:

PNC Bank, Kentucky, Inc.
500 West Jefferson Street , STE. 1200
Citizens Plaza
Louisville, KY 40202

or such other address of which Noteholder shall advise Tenant in writing. All other payments should be sent to the Landlord at the address set forth in the Lease.

7. This Agreement shall also bind and benefit the heirs, legal representatives, successors and assigns of the respective parties hereto, and all covenants, conditions and agreements herein contained shall be construed as running with the land.

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

WALGREEN CO.,
an Illinois corporation

PNC BANK, KENTUCKY, INC.

Walm
By *Julian A. [Signature]*
Vice President

By *[Signature]*
Its: AUP

Attest:
Dorey S. Godfrey
Assistant Secretary

Attest:
[Signature]
Its: VP

WN STATELINE, L.L.C.
a Tennessee limited liability company

By: *Walt Newman*
Its: Chief Manager

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

I, W.A. Montgomery, a Notary Public, do hereby certify that Julian Dettinger and Nancy J. Godfrey, personally known to me to be the Vice President and Assistant Secretary, respectively, of WAGREEN CO., an Illinois corporation, and personally known to me to be the persons whose names are subscribed in the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Assistant Secretary they signed and delivered the said instrument as such Vice President and Assistant Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority, given by the Board of Directors of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the purposes therein set forth.

Given under my hand and notarial seal this 1 day of October, 1997

W.A. Montgomery
Notary Public

My commission expires:

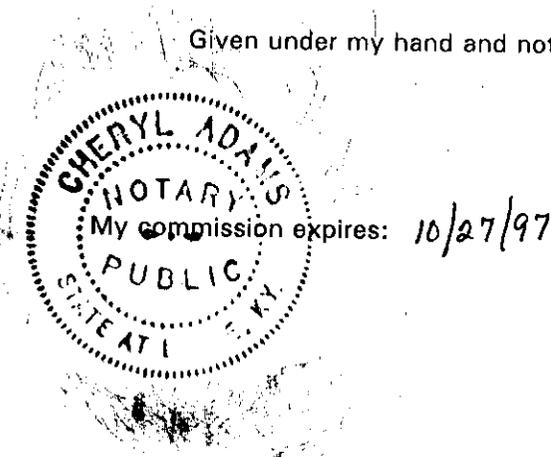
STATE OF Kentucky)
) SS
COUNTY OF Jefferson)



I, Cheryl Adams, a Notary Public, do hereby certify that Lee K. Zoller and Douglas K. Rutley, personally known to me to be the Asst. Vice President and Vice President, respectively, of PNC BANK, KENTUCKY, INC., and personally known to me to be the persons whose names are subscribed in the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Asst. Vice President and Vice President they signed and delivered the said instrument as such Asst. Vice President and Vice President of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority, given by the Board of Directors of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the purposes therein set forth.

Given under my hand and notarial seal this 7th day of October, 1997.

Cheryl Adams
Notary Public



STATE OF TN)
COUNTY OF Shelby) SS

I, Linda Averett, a Notary Public, do hereby certify that West Newme, personally known to me to be the Chief Manager of WN STATELINE, L.L.C., a Tennessee limited liability company, and personally known to me to be the person whose name is subscribed in the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Chief Manager he/she signed and delivered the said instrument as such Chief Manager of said limited liability company, pursuant to authority, as his/her free and voluntary act, for the purposes therein set forth.

Given under my hand and notarial seal this 15th day of October, 1997.

Linda Averett
Notary Public

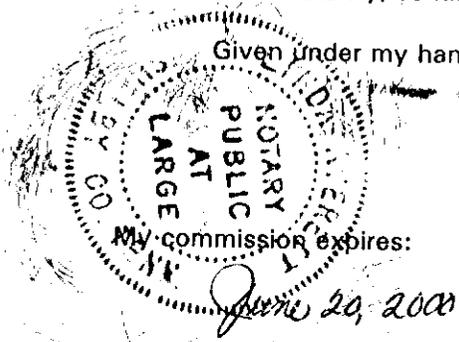


EXHIBIT "A"

Lot 1, WN Stateline Subdivision in Section 24, Township 1 South, Range 8 West, City of Southaven, DeSoto County, Mississippi, as per plat thereof recorded in Plat Book 56, Page 49, in the office of the Chancery Clerk of DeSoto County, Mississippi.