

BK 1600 PG 0407

STATE MS.-DESOTO CO.  
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BK 1600 PG 407  
W.E. DAVIS CH. CLK.

BOOK 0096 PAGE 0574

STATE MS.-DESOTO CO.  
FILED

Nov 12 4 27 PM '02

P BK 96 PG 574  
W.E. DAVIS CH. CLK.

(This Space for Recording Use Only)

**THIS DOCUMENT SHOULD BE RETURNED TO AFTER RECORDING:**

WALGREEN CO.  
200 Wilmot Road, MS 2252  
Deerfield, Illinois 60015

Attn Mrs. Lola Allen-Muhammad  
Law Department

Store # 7130/Olive Branch, Mississippi

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

**THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT** made in multiple copies as of the 18<sup>th</sup> day of October, 2002, by and between **KEYBANK NATIONAL ASSOCIATION**, a national banking association ("Mortgagee"), **GOODMAN & CRAFT LLC**, a Mississippi limited liability company, and **6958 GOODMAN ROAD, L.L.C.**, a Mississippi limited liability company, as Co-Tenants (together, the "Landlord") and **WALGREEN CO.**, an Illinois corporation ("Tenant");

**WITNESSETH:**

**WHEREAS**, Mortgagee is the holder of a Note in the original principal amount of \$2,940,000, secured by a Mortgage or Deed of Trust ("Mortgage") dated November 7, 2002, recorded on November 12, 2002, in Book 1600, at Page 324, in the Official Records of DeSoto County, State of Mississippi, covering the property legally described on Exhibit "A" attached hereto and made a part hereof;

Store # 7130/Olive Branch, Mississippi

**WHEREAS**, by Lease dated March 7, 2002, ("Lease"), recorded by Memorandum of Lease of even date, on March 11, 2002, in Book 93, at Page 350, in the Official Records of DeSoto County, State of Mississippi, Landlord's predecessor in interest, WN Goodman-Craft, LLC ("WN Goodman"), as landlord, leased to Tenant, as tenant, the property, of the northwest corner of Goodman Road (State Highway 302) and Craft Road in the City of Olive Branch, County of DeSoto, State of Mississippi, legally described on Exhibit "A" ("Leased Premises");

**WHEREAS**, Mortgagee, Tenant and Landlord desire to confirm their understanding with respect to said Lease and said Mortgage;

**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 Mortgage. If there shall be a conflict between the terms of said Lease and the terms of said Mortgage, the terms of said Lease shall prevail.
2. In the event Mortgagee or any other party (collectively "Successor Landlord") acquires title or right of possession of the Leased Premises under said Mortgage through foreclosure, or otherwise, said Lease shall remain in full force and effect and Tenant shall continue occupancy of the Leased Premises in accordance with the terms and provisions of said Lease. In such event, during the period that it holds title to or possession of the Leased Premises, Successor Landlord shall be in all respects bound by said Lease as Landlord and by all of Tenant's rights thereunder. Successor Landlord's remedies pursuant to the Lease will be in full force and effect once Successor Landlord succeeds to the interest of Landlord under the Lease and once Successor Landlord is bound by all of the terms and conditions of said Lease.
3. So long as Successor Landlord shall be bound by the terms and conditions of said Lease, Tenant shall attorn to Successor Landlord when Successor Landlord is in possession of the Leased Premises, whether such possession is pursuant to Mortgagee's rights under said Mortgage (which such attornment shall be effective and self operative without the execution of any further instrument on the part of any of the parties hereto), or otherwise, and will continue occupancy of the Leased Premises under the same terms and conditions of said Lease.

4. Mortgagee shall not include Tenant in any foreclosure proceeding involving the Leased Premises, unless required by applicable state law for Mortgagee to accomplish the foreclosure and then not to interfere with or diminish Tenant's rights under said Lease or disturb Tenant's possession.

5. In the event that Successor Landlord succeeds to the interest of Landlord under such Lease, Successor Landlord shall not be:

a). Liable for any act or omission of any prior landlord (including Landlord) or subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord), except for any defaults or remedies of which Tenant has notified Mortgagee prior to Successor Landlord becoming bound by the Lease in accordance with paragraph 2. Successor Landlord will not be held liable for any consequential damages for defaults of any prior Landlord; or

b). Bound by any payment of any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord (including Landlord); or

c). Bound by any amendment or modification of the Lease made without Mortgagee's written consent.

6. During the continuance of said Mortgage, Tenant shall use reasonable efforts to give written notice to Mortgagee of all defaults by Landlord of those obligations under said Lease which are of a nature as to give Tenant a right to terminate said Lease, reduce rent, or to credit or offset any amounts against future rents, and Mortgagee shall have the same opportunity as provided to Landlord in said Lease (but shall not be required) to cure the same. In any event (except as otherwise provided in the next sentence of this paragraph), Tenant's failure to provide Mortgagee such written notice shall not impair any rights granted or derived by Tenant under said Lease and/or this Agreement. In no event shall Tenant terminate the Lease as a result of any breach or default of the Lease unless Tenant has provided Mortgagee notice and afforded the Mortgagee the same opportunity to cure such breach or default as provided to Landlord in said Lease; provided, however, that Mortgagee shall not be obligated to remedy or cure any default of Landlord under the Lease.

7. Tenant hereby agrees that upon receipt of written notice from Mortgagee of a default by Landlord under said Mortgage, all checks for rent and other sums payable by Tenant under said

Lease to Landlord shall, from the date of Tenant's receipt of such written notice, be delivered to and drawn to the exclusive order of Mortgagee until Mortgagee or a court of competent jurisdiction shall direct otherwise. Such an assignment of rent shall not relieve Landlord of any of its obligations under said Lease and shall not modify or diminish any rights granted to Tenant by said Lease or this Agreement, including but not limited to, any rights contained in said Lease which allow Tenant the right of so-called self help, offsets or deductions in the event of default or otherwise. Landlord hereby consents and agrees to the provisions of this paragraph and hereby authorizes Tenant to direct all rental and other payments under said Lease as provided by this paragraph. Landlord hereby relieves Tenant from any liability by reason of Tenant's payment of any sums under said Lease as required by this paragraph. Tenant shall have no obligation to verify the existence of any such default stated in the notice from Mortgagee under this paragraph.

8. (a) Subject to the terms of (b) below, Tenant agrees that the covenants of Landlord in Article 8 of the Lease shall not be binding upon land owned by Successor Landlord that acquires the interest of Landlord in the Leased Premises through foreclosure of the Mortgage or a deed in lieu thereof, (provided that Successor Landlord owned or mortgaged such land prior to the date that it acquires the interest of Landlord in the Leased Premises), but shall apply to any subsequent purchaser or transferee that is not an affiliate or subsidiary of Successor Landlord.

(b) Upon Successor Landlord's acquisition of Landlord's interest, during the period that it holds title to the Leased Premises, Successor Landlord will not execute any agreement that violates the restrictions set forth in Article 8 of the Lease or agree to any modification of a then existing agreement which extends the right of any third party to operate in a manner inconsistent with the restrictions set forth in Article 8 of the Lease.

9. In the event Successor Landlord acquires title or right of possession of the Leased Premises, Tenant acknowledges and agrees that the liability of such Successor Landlord under the Lease shall be limited to its interest in the property described on Exhibit "A" and the rents, income and profits therefrom. Notwithstanding anything herein to the contrary, Tenant shall have all of its equitable remedies against Successor Landlord. Nothing contained herein shall otherwise limit Tenant's rights or remedies as provided in the Lease.

10. All notices under this Agreement shall be deemed to have been duly given if made in writing and sent by United States certified or registered mail, postage prepaid, or by overnight delivery service providing proof of receipt, and addressed as follows:

If to Mortgagee: Keybank National Association  
911 Main Street, Suite 1500  
Kansas City, Missouri 64105  
Attention: Closing Department

If to Tenant: 200 Wilmot Road  
Deerfield, Illinois 60015  
Attention: Law Department

If to Landlord: Goodman & Craft LLC  
6958 Goodman Road, L.L.C.  
c/o Daniel G. Hayes, Esq.  
9324 West Street, Suite 101  
Manassas, Virginia 20110-5198

provided that each party by like notice may designate any future or different addresses to which subsequent notices shall be sent. Notices shall be deemed given upon receipt or upon refusal to accept delivery.

11. Tenant agrees that the right of first refusal shall not apply to Successor Landlord through a foreclosure, deed-in-lieu of foreclosure or any other enforcement action under the Mortgage; provided, however, such right of first refusal shall apply to subsequent purchasers of the Leased Premises. It is the express intention of Landlord and Tenant that the acquisition by either party of the right, title, interest and estate of the other party in and to the Leased Premises shall not result in termination or cancellation of the Lease by operation of the principle of merger of estates or otherwise, notwithstanding any applicable law to the contrary; *provided, however*, that in the event Tenant acquires the right, title, interest and estate of Landlord in and to the Leased Premises, whether pursuant to any purchase option or right of

first refusal granted in the Lease or otherwise, if either (i) the indebtedness secured by the Mortgage is satisfied or (ii) Tenant assumes the indebtedness secured by the Mortgage (on a recourse basis), then in such event the estates of Landlord and Tenant in and to the Leased Premises shall merge and the Lease will be extinguished. In the event Tenant assumes the indebtedness secured by the Mortgage and if Tenant is a Walgreen Co. subsidiary a guarantee by Walgreen Co. will be entered into for the indebtedness.

12. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature and acknowledgment of, or on behalf of, each party, or that the signature and acknowledgment of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures and acknowledgment of, or on behalf of, each of the parties hereto. Any signature and acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures and acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature and acknowledgment pages.

13. 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.

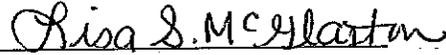
**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement, under seal, as of the day and year first above written.

**WALGREEN CO.**

**KEYBANK**

**NATIONAL ASSOCIATION**

  
 Allan M. Resnick, Vice President

By:   
 Its: LISA S. McGLASTON  
 VICE PRESIDENT

**LANDLORD**

**GOODMAN & CRAFT LLC**

**6958 GOODMAN ROAD, L.L.C.**

By: *Daniel G. Hayes*

Daniel G. Hayes

Its: Manager

By: *Daniel G. Hayes*

Daniel G. Hayes

Its: Manager

STATE OF ILLINOIS )  
 )  
COUNTY OF LAKE )

I, Lola Allen-Muhammad, a Notary Public, do hereby certify that Allan Resnick, personally known to me to be an Vice President, respectively, of WALGREEN CO., an Illinois corporation, 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 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 18 day of October, 2002.

*Lola Allen-Muhammad*  
Notary Public

My commission expires:



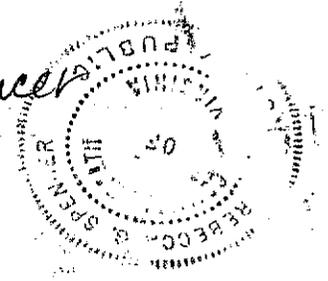


STATE OF VIRGINIA )  
 )  
CITY OF MANASSAS )

I, Rebecca G. Spencer, a Notary Public, do hereby certify that Daniel G. Hayes, personally known to me to be a Manager of GOODMAN & CRAFT LLC and a Manager of 6958 GOODMAN ROAD, L.L.C., 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 Manager of each company, and caused each entity to enter into the foregoing instrument, pursuant to authority, given by the Members of each company by unanimous resolutions for each company as its free and voluntary act, and as the free and voluntary act and deed of each company, for the purposes therein set forth.

Given under my hand and notarial seal this 23 day of October, 2002.

Rebecca Spencer  
Notary Public



My commission expires: 7/31/06

Memorandum of Co-Tenancy  
 [6958 Goodman Road, Olive Branch]

BK 1600 PG 0417

6958 Goodman Road, L.L.C.  
 / Goodman & Craft LLC

EXHIBIT A

The following described real estate situated in DeSoto County, Mississippi:

Lot 1, The Market at Cherokee Valley, located in Section 30, Township 1 South, Range 6 West, DeSoto County, Mississippi, as recorded in Plat Book 77, Pages 49-50 in the office of the Chancery Clerk of DeSoto County, Mississippi and described as follows:

A 1.962 acre parcel of land located in the Southeast Quarter of the Southeast Quarter of Section 30, Township 1 South, Range 6 West, City of Olive Branch, DeSoto County, Mississippi, being Lot 1 of The Market At Cherokee Valley as recorded in Plat Book 77, Pages 49-50 at the Chancery Clerk's Office of said county, and being more particularly described as follows:

Commencing at the accepted southeast corner (as per common report) of Section 30, Township 1 South, Range 6 West, said point being the centerline intersection of Goodman Road (State Highway 302) (variable width right of way) and Craft Road (variable width right of way); thence, with the center of Goodman Road, S 89 degrees 44' 00" W, 454.87 feet to a point; thence N 00 degrees 16' 00" W, 90.87 feet, to a point in the north right of way line of Goodman Road at the southwest corner of Lot 1, The Market At Cherokee Valley (Plat Book 77, Pages 49-50), said point being the POINT OF BEGINNING of the parcel described herein; thence, leaving said right of way line with the west line of Lot 1, N 00 degrees 23' 10" W, 249.32 feet, to a set iron pin at the northwest corner of Lot 1; thence, with the north line of Lot 1, N 89 degrees 14' 58" E, 162.35 feet, to a found 1-1/2 inch pipe at the southwest corner of Julia Busby (Deed Book 39, Page 433); thence, continuing with the north line of Lot 1 and with the south line of Julia Busby, N 89 degrees 14' 58" E, 213.78 feet, to a found iron pin in the west right of way line of Craft Road; thence, with the west right of way line of Craft Road and the north right of way line of Goodman Road the following calls: S 06 degrees 03' 21" W, 182.57 feet, to a found right of way monument; thence, S 65 degrees 18' 17" W, 170.75 feet, to a set iron pin; thence, S 89 degrees 36' 50" W, 200.03 feet, to the point of beginning. Containing 85,457 square feet or 1.962 acres within these bounds.

Together with easement described in with Reciprocal Easement Agreement with Covenants, Conditions, and Restrictions, recorded in Book 413, Page 539, of record in the office of the Chancery Clerk of DeSoto County, Mississippi.