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Submitted for Recordation)
By and Return to)
)
Bank of America NT & SA)
Attn: Colleen King)
Two Embarcadero Center)
28th Floor)
San Francisco, CA 94111)

Space above for Recorder's Use

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT, made and entered into as of the 27th day of April, 1993, by and between **PAY LESS DRUG STORES NORTHWEST, INC.**, a Maryland corporation ("Tenant"), whose address is 9275 S.W. Peyton Lane, Wilsonville, Oregon 97070; **HART ESTATE DEVELOPMENT COMPANY**, a California general partnership ("Borrower") whose address is 1695 Meadow Wood Lane, Suite 200, Reno, Nevada 89502-6511 and the **BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION**, a national banking association ("Lender"), whose address is 3800 W. Chapman Avenue, Orange, California 92668.

A. Lender has agreed to make a mortgage loan (the "Loan") to Borrower secured by a mortgage or deed of trust (the "Deed of Trust") on the real property legally described in Exhibit A attached hereto (the "Premises"); and

B. Tenant is the present lessee under a Lease dated June 23, 1989, made by Borrower, as Landlord, demising a portion of the Premises and other property (said lease and all amendments thereto being referred to as the "Lease"); and

C. The Loan terms require that Tenant execute this Agreement as a condition of the Loan; and

D. In return, Lender is agreeable to not disturbing Tenant's possession of the portion of the Premises covered by the Lease (the "Demised Premises"), so long as Tenant is not in default under the Lease; and

NOW, THEREFORE, the parties hereby agrees as follows:

1. Subordination. Subject to the terms and conditions hereinafter set forth, the Lease, and the rights of Tenant in, to and under the Lease and the Demised Premises, are hereby subjected and subordinated to the lien of the Deed of Trust.

2. Tenant Not to be Disturbed. So long as Tenant is not in default (beyond any period given Tenant by the terms of the Lease to cure such default) in the Payment of rent or additional rent or of any of the terms, covenants or conditions of the Lease on Tenant's part to be performed, (a) Tenant's possession of the Demised Premises, and its rights and privileges under the Lease, including but not limited to any extension or renewal rights, and application of insurance proceeds and condemnation awards shall not be diminished or interfered with by Lender, and (b) Lender will not join Tenant as a party defendant in any action or proceeding foreclosing the Deed of Trust unless such joinder is necessary to foreclose the Deed of Trust and then only for such purpose and not for the purpose of terminating the Lease.

3. Tenant to Attorn To Lender. If Lender shall become the owner of the Premises or the Premises shall be sold by reason of foreclosure or other proceedings brought to enforce the Deed of Trust or the Premises shall be transferred by deed in lieu of foreclosure, the Lease shall continue in full force and effect as a direct Lease between the then owner of the Premises, who shall succeed to the rights and duties of the Landlord, and Tenant. Tenant shall attorn to Lender or any other such owner as its Landlord, said attornment to be effective and self-operative without the execution of any further instruments; provided, however, that Lender or any such other owner (a) shall not be personally liable for any act or omission of any prior

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lessor (including Borrower), (b) shall not be bound by any agreement or modification of the Lease made without Lender's or such other owner's consent, which shall not be unreasonably withheld, or (c) shall not be liable for the return of any security deposit under the Lease unless such security deposit shall have been actually deposited with Lender, or (d) except as otherwise provided for in the Lease, shall not be subject to any offsets or deficiencies which Tenant may be entitled to assert against any previous Landlord. Tenant acknowledges that Borrower will assign the Lease to Lender pursuant to the terms of the Deed of Trust as security for the Loan. Tenant hereby agrees that upon the occurrence of any default under the loan or the documents evidencing or securing the same, and in the event of a demand on Tenant by Lender, or its successors and assigns, for the payment to the Lender or its successors and assigns, of the rent due under the Lease, Lessee will pay said rent to Lender and Borrower hereby consents to said payment and releases Tenant from any and all liability, damages, or claims in connection with any such payment or payments. Borrower agrees that the receipt by Tenant of any such demand shall be conclusive evidence of the right of Lender to the receipt of said rental payments. Tenant shall be under no obligation to pay rent to Lender or any such other owner until Tenant receives written notice from Lender or any such other owner.

4. Lender's Option To Cure Borrower's Default. Tenant agrees that Borrower shall not be in default under the Lease unless written notice specifying such default is given to Lender. Tenant agrees that Lender shall have the right to cure such default on behalf of Borrower within thirty (30) days after the receipt of such notice; provided, however, that said 30-day period shall be extended so long as within said 30-day period Lender has commenced to cure and is proceeding diligently to cure said default or defaults. Tenant further agrees not to invoke any of its remedies under the Lease (except the Lease emergency repair clause) until said 30 days have elapsed.

5. Notice of Discharge. Borrower shall give notice to Tenant of the reconveyance or other release of the Deed of Trust within thirty (30) days of the date the reconveyance or other release is recorded.

6. Limitation. This Agreement shall not apply to any equipment, inventory, merchandise, furniture, fixtures or other personal property owned or leased by Tenant which is now or hereafter placed or installed on the Demised Premises, and Tenant shall have the full right to remove said property at any time during or at the expiration of the Lease term.

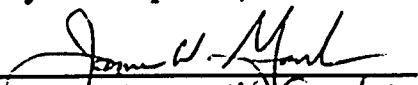
7. Notices. Any and all notices required or permitted to be given shall be in writing and shall be sent, either by registered United States mail, or personal delivery, to the parties at their addresses set forth above; and shall be deemed given upon the receipt thereof by the party to whom sent. The addresses to which notices shall be sent may be changed by any party by notice given pursuant to this paragraph.

8. Successors And Assigns. This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon and shall inure to the benefit of the parties hereto and their representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed as of the date first above written.

"Tenant"

PAY LESS DRUG STORES NORTHWEST, INC.,
a Maryland corporation

By: 
Name: James W. Gaube
Its: Senior Vice President

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"Borrower"

HART ESTATE DEVELOPMENT COMPANY,
a California general partnership

By: [Signature]
Name: TIM GABRIELSEN
Its: GEN. PARTN

"Lender"

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION, a
national banking association

By: [Signature]
Merry Kindred
Its: Vice President

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

STATE OF NEVADA)
) ss:
COUNTY OF WASHOE)

On this 5th day of MAN, 1993, personally appeared
before, me, a notary public, Tim Gabrielson, (personally
known) (proven) to me to be the person whose name is subscribed to
the above instrument who acknowledged that he executed the
instrument.

 SHERI LEE
Notary Public - State of Nevada
Appointment Recorded in Washoe County
MY APPOINTMENT EXPIRES DEC. 13, 1996

[Signature]
NOTARY PUBLIC

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DESCRIPTION

All that certain real property being a portion of the Northeast 1/4 of Section 4, Township 12 North, Range 20 East, M.D.B.&M., Douglas County, Nevada, more particularly described as follows:

Commencing at a point on the Easterly right-of-way line of Nevada State Highway 395, said point being the Southwesterly corner of that certain parcel of land shown on that Grant Deed to Thorobred Photo Service, Inc., File No. 29420, Douglas County Records, from which point the Northeast corner of said Section 4, bears North $30^{\circ}43'28''$ East, 2116.56 feet; thence along said Easterly right-of-way line North $51^{\circ}02'32''$ West, 166.00 feet to the TRUE POINT OF BEGINNING; thence continuing along said Easterly right-of-way line North $51^{\circ}02'32''$ West, 634.00 feet to the Southerly right-of-way, line of Waterloo Lane, being a 100 foot right-of-way; thence along said Southerly line North $44^{\circ}54'36''$ East, 701.78 feet; thence leaving said Southerly right-of-way, South $29^{\circ}39'15''$ East, 741.00 feet; thence South $60^{\circ}20'45''$ West, 196.00 feet; thence North $89^{\circ}39'15''$ West, 44.24 feet; thence South $44^{\circ}54'36''$ West, 218.83 feet to the True Point of Beginning.

A portion of A.P.N. 25-143-01

EXHIBIT A

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STATE OF OREGON

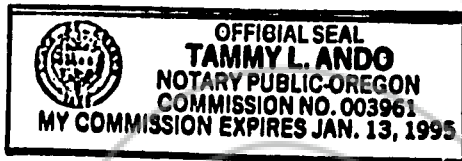
)
) ss.
)

County of Clackamas

On this 27th day of April, 1993, before me, the undersigned Notary Public in and for said State, personally appeared James W. Gaube, known to me to be the Senior Vice President of PAY LESS DRUG STORES NORTHWEST, INC., a Maryland corporation, and acknowledged to me that the said instrument is the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

Tammy L Ando

Notary Public for Oregon
My commission expires: 1-13-95



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5193

State of California
County of San Francisco

On 5-20-93 before me, Rosita R. Lacanglacang
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Merry Kindred
NAME(S) OF SIGNER(S)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

OPTIONAL SECTION
CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- INDIVIDUAL
- CORPORATE OFFICER(S)
TITLE(S)
- PARTNER(S) LIMITED GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

WITNESS my hand and official seal.

Rosita R. Lacanglacang
SIGNATURE OF NOTARY

OPTIONAL SECTION

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:
TITLE OR TYPE OF DOCUMENT Lessee Certificate (Hart Estate Development)
NUMBER OF PAGES 3 DATE OF DOCUMENT _____
SIGNER(S) OTHER THAN NAMED ABOVE _____

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

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COPY

REQUESTED BY
WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

93 MAY 25 AM 11:58

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SUZANNE BEAUDREAU
RECORDER
1000 *SB*
DEPUTY