



201511240052

AFTER RECORDING MAIL TO:

Name: Walgreen Co.
Address: 104 Wilmot Road, MS 1420
City/State: Deerfield, Illinois 60015
Attn: Community and Real Estate Law Department
Store No. 10994

Document Title(s): (or transactions contained therein)
1. Subordination, Non-Disturbance and Attornment Agreement

Reference Number(s) of Documents assigned or released:
200610240155

Grantor: (Last name first, then first name and initials)
1. Walgreen Co.

Grantee(s): (Last name first, then first name and initials)
1. Rocar Sedro-Woolley, LLC
2. Morgan Stanley Bank, N.A.

Abbreviated Legal Description as follows: (i.e. lot/block/plat or section/township/range/quarter/quarter)
South 1/2 of Block 8, West Addn. to Woolley

Assessor's Property Tax Parcel/Account Number(s): P77397, 4176-008-020-0009



NOTE: *The auditor/recorder will rely on the information on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.*

I AM REQUESTING AN EMERGENCY NONSTANDARD RECORDING FOR A ADDITIONAL FEE AS PROVIDED IN RCW 36.18.010. I UNDERSTAND THAT THE RECORDING PROCESSING REQUIREMENTS MAY COVER UP OR OTHERWISE OBSCURE SOME PART OF THE TEXT OF THE ORIGINAL DOCUMENT

RECORDPA

(This Space for Recording Use Only)

THIS DOCUMENT SHOULD BE RETURNED TO AFTER RECORDING:

WALGREEN CO.
104 Wilmot Road, MS 1420
Deerfield, Illinois 60015
Attn: Community & Real Estate Law Department
Store # 10994/Lease ID #001

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

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT made in multiple copies as of the 24th day of November, 2015, by and between **MORGAN STANLEY BANK, N.A.**, a national banking association, its successors and/or assigns ("Mortgagee"), **ROCAR SEDRO-WOOLLEY, LLC**, a Delaware limited liability company ("Landlord"), and **WALGREEN CO.**, an Illinois corporation ("Tenant")

WITNESSETH:

WHEREAS, Mortgagee is the holder of a Note in the original principal amount of \$ 4,250,000.00, secured by a Mortgage or Deed of Trust ("Mortgage") dated November 24, 2015 recorded on NOV. 24th, 2015 in Book # , at Page , in the Official Records of Skagit County, State of Washington, covering the property legally described on Exhibit "A" attached hereto and made a part hereof;

*201511240049

WHEREAS, by Lease dated October 18, 2006, ("Lease"), recorded by Memorandum of Lease of even date, on October 24, 2006, as Auditor's No. 200610240155, in the Official Records of Skagit County, State of Washington, Landlord, as landlord, leased to Tenant, as tenant, the property, of the **northwest corner of Western Street and Harrison Street in the City of Sedro Woolley, County of Skagit, State of Washington**, 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, in the event of a default under the Note, 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 other procedure related to a default under the Note, 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 other procedure related to a default under the Note 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: 1585 Broadway, 25th Floor
New York, NY 10036

If to Tenant: 104 Wilmot Road, MS 1420
Deerfield, Illinois 60015

If to Landlord: P.O. Box 112
Red Bank, NJ 07701

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.

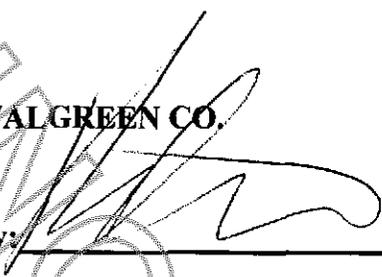
12. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature and acknowledgment of, or on behalf of, each party, or that the signature and acknowledgment of all persons required to bind any party, appear 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 acknowledgement 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.

(Signature Page to follow)

WALGREEN CO.

By:  _____

Name: Richard Steiner _____

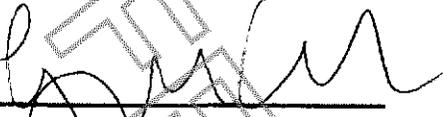
Title: Director _____

RS

UNOFFICIAL DOCUMENT

MORTGAGEE:

**MORGAN STANLEY BANK, N.A.,
a national banking association**

By:  _____

Name: _____

Cynthia Eckes

Title: **Authorized Signatory** _____

UNOFFICIAL DOCUMENT

LANDLORD:

ROCAR SEDRO-WOOLLEY, LLC
a Delaware limited liability company

By:

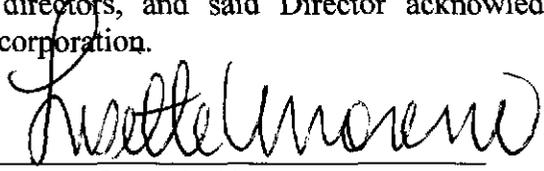

Howard Cohen, Manager

TENANT ACKNOWLEDGEMENT

STATE OF ILLINOIS §
 §
COUNTY OF LAKE §

On this 17 day of November 2015, before me appeared **Richard Steiner**, to me personally known, who, being by me duly sworn, did say that he/she is the **Director of Walgreen Co.**, an Illinois corporation, and that said instrument was signed in behalf of said corporation by authority of its board of directors, and said Director acknowledged said instrument to be the free act and deed of said corporation.

(Seal)



Notary Public

My term expires:



MORTGAGEE ACKNOWLEDGEMENT

STATE OF NEW YORK)

) ss.:

COUNTY OF NEW YORK)

On this 18th day of November, 2015, before me the undersigned, personally appeared CYNTHIA EDES, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

CORINNE IMBERT-FARIA
Notary Public, State of New York
No. 021M6310933
Qualified in Nassau County
Commission Expires 09/02/2018



NOTARY PUBLIC

PLEASE ATTACH LEGAL DESCRIPTION FOR EXECUTION OF DOCUMENT

EXHIBIT "A"

LEGAL DESCRIPTION (STORE #10994)

THE LAND REFERRED TO IN THIS REPORT/POLICY IS SITUATED IN THE STATE OF WASHINGTON, COUNTY OF SKAGIT, AND IS DESCRIBED AS FOLLOWS:

THE SOUTH ½ OF BLOCK 8, "WEST ADDITION TO THE TOWN OF WOOLLEY, SKAGIT COUNTY, WASH.", AS PER PLAT RECORDED IN VOLUME 2 OF PLATS, PAGE 89, RECORDS OF SKAGIT COUNTY, WASHINGTON, SAID SOUTH ½ CONSISTS OF LOTS 13 THROUGH 24.

TOGETHER WITH THE NORTH 15 FEET OF HARRISON STREET ADJACENT THERETO AS VACATED BY CITY ORDINANCE NO. 1285-97, RECORDED UNDER AUDITOR'S FILE NO. 9802200031.

EXCEPTING THEREFROM THAT PORTION OF LOT 13 CONVEYED TO THE STATE OF WASHINGTON FOR SECONDARY STATE HIGHWAY NO. 1-A AND 1-F, SEDRO-WOOLLEY VICINITY, BY DEEDS RECORDED APRIL 14, 1956, UNDER AUDITOR'S FILE NO. 516234, AND MAY 27, 1955, UNDER AUDITOR'S FILE NO. 518491.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED 2 PARCELS FOR RIGHT-OF-WAY DEDICATIONS ON HARRISON STREET AS RECORDED UNDER AUDITOR'S FILE NO. 200710100079.

1.) A PORTION OF LOT 24, SOUTH ½ OF BLOCK 8, "WEST ADDITION TO THE TOWN OF WOOLLEY, SKAGIT COUNTY, WASH.", AS DEPICTED AND RECORDED IN VOLUME 2, PAGE 89 OF SKAGIT COUNTY PLATS, AND OF THE VACATED NORTH 15 FEET OF HARRISON STREET AS DESCRIBED IN CITY ORDINANCE 1285-97 RECORDED UNDER AUDITOR'S FILE NO. 9802200031. SAID PARCEL IS WITHIN THE NORTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 24, TOWNSHIP 35 NORTH, RANGE 4 EAST, W.M., AND IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 24, THENCE SOUTH 01°16'33" WEST ALONG THE WEST LINE OF SAID VACATED NORTH 15 FEET A DISTANCE OF 15 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 88°43'27" EAST ALONG THE SOUTH LINE OF SAID VACATED NORTH 15 FEET A DISTANCE OF 30.00 FEET; THENCE NORTH 43°43'27" WEST A DISTANCE OF 42.43 FEET TO AN INTERSECTION WITH THE WEST LINE OF SAID LOT 24; THENCE SOUTH 01°16'33" WEST ALONG SAID WEST LINE AND ALONG THE WEST LINE OF SAID VACATED 15 FEET A DISTANCE OF 30.00 FEET TO THE TRUE POINT OF BEGINNING.

2.) A PORTION OF THE VACATED NORTH 15 FEET OF HARRISON STREET VACATED IN CITY ORDINANCE 1285-97 AND RECORDED UNDER AUDITOR'S FILE NO. 9802200031, HARRISON STREET LIES SOUTH OF THE SOUTH ½ BLOCK 8, "WEST ADDITION TO THE TOWN OF WOOLLEY, SKAGIT COUNTY, WASH.", AS RECORDED IN VOLUME 2, PAGE 89 OF SKAGIT COUNTY PLATS. SAID PLAT IS WITHIN THE NORTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 24, TOWNSHIP 35 NORTH, RANGE 4 EAST, W.M.. SAID PORTION OF THE VACATED NORTH 15 FEET IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID VACATED NORTH 15 FEET; THENCE NORTH 88°43'27" WEST ALONG THE SOUTH LINE OF SAID VACATED NORTH 15 FEET A DISTANCE OF 9.05 FEET; THENCE NORTH 69°28'12" EAST A DISTANCE OF 11.36 FEET TO AN INTERSECTION WITH THE EAST LINE OF SAID VACATED NORTH 15 FEET; THENCE SOUTHWEST ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 369.30 FEET, A CENTRAL ANGLE OF 0°41'43" FOR AN ARC DISTANCE OF 4.48 FEET TO THE TRUE POINT OF BEGINNING.