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ASSIGNMENT OF LEASE
Property at
2378 East 7000 South
Salt Lake City, UT 84121

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19 JUNE 91 03:42 PM
KATIE L. DIXON
RECORDER, SALT LAKE COUNTY, UTAH
GUARDIAN TITLE
REC BY: SHARON WEST , DEPUTY

This assignment of lease ("Assignment") is effective as of June 18, 1991, between AMERICAN DRUG STORES, INC., formerly known as Osco Drug, Inc., an Illinois corporation ("Assignor"), and PL Acquisition Corp., an Oregon corporation ("Assignee"), who agree as follows:

1. Recitals. This Assignment is made with reference to the following facts and objectives:
 - a. Hillside Plaza Associates ("Landlord") and Skaggs Companies, Inc., predecessor in interest to Assignor ("Tenant") entered into a written lease and Lease Agreement, dated May 6, 1974, as amended by First Amendment to Lease Agreement dated January 29, 1975 and Second Amendment to Lease dated April 19, 1976 (collectively, the "Lease"), in which Landlord leased to Tenant and Tenant leased from Landlord the premises located in the City of Salt Lake City, County of Salt Lake, Utah, commonly known as 2378 East 7000 South and more fully described in Exhibit A attached to this Assignment and incorporated herein for all purposes (the "Premises").
 - b. Assignor is the current owner of all of Tenant's right, title and interest in the Lease.
 - c. Assignor desires to assign all of its rights, title, and interest under the Lease to Assignee, and Assignee desires to accept such assignment and to assume all of Assignor's obligations under the Lease.
2. Effective Date of Assignment. This Assignment shall take effect on the date first listed above (the "Effective Date") and Assignor shall give possession of the Premises to Assignee on that date.
3. Assignment and Assumption. Assignor assigns and transfers to Assignee all of its right, title, and interest in the Lease and Assignee accepts such assignment and assumes and agrees to perform, from the date this Assignment becomes effective, as a direct obligation to Landlord, all the provisions of the Lease.
4. Assignor's Liability; Indemnity. Assignor shall remain liable to Landlord for the performance of the provisions of the Lease. Assignee shall indemnify and hold Assignor harmless for all costs, expenses and damages, including all related and resulting expense, resulting from any failure of Assignee to fulfill any obligation under the Lease arising or accruing on or after the Effective Date, including without limitation, the payment of rent under the Lease. Upon notice from Assignor, Assignee immediately shall reimburse Assignor in the amount of rent or

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costs incurred by Assignor in fulfilling Assignee's obligations under this Assignment, together with interest on those sums at the rate of ten percent (10%) per annum. Assignor shall indemnify and hold Assignee harmless for all costs, expenses and damages, including all related and resulting expenses, resulting from Assignor's failure to fulfill its obligations under the Lease arising or accruing prior to the Effective Date.

5. Representation of Assignor. Assignor represents and warrants that it has delivered to Assignee all material, relevant documents in its possession concerning the Lease, the Premises or Assignor's interest in the Lease or the Premises.
6. Notice of Default. Each of the parties hereto agrees to notify the other party in writing within seven (7) days of the receipt of any notice of default under the Lease. Assignor shall have the right to cure any such default and to seek indemnification pursuant to Section 4 of this Assignment.
7. Assignor's Remedies Against Assignee. In addition to Assignor's indemnification rights pursuant to Section 4 of this Assignment, Assignor shall have all rights against Assignee that are available by law and those contained in the Lease, including without limitation, Assignor's right to reenter and retake possession of the Premises from Assignee.
8. Miscellaneous.
 - a. Attorneys' fees. If either party commences an action against the other party arising out of or in connection with this Assignment, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees and costs of suit, including, but not limited to, fees of expert witnesses.
 - b. Notice. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first class mail to the other party at the address set forth opposite its signature. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing if mailed as provided in this paragraph.
 - c. Successors. This Assignment shall be binding on and inure to the benefit of the parties and their successors and assigns.
9. This Assignment is conditioned upon the execution of the attached Guaranty by Pay Less Drug Stores Northwest, Inc., the parent corporation of Assignee.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment on the date first set forth above.

Address: American Drug Stores, Inc.
1818 Swift Drive
Oak Brook, Illinois 60521
Attention: Vice President
Real Estate

"Assignor"

AMERICAN DRUG STORES, INC.

By: *[Signature]*

Title: Vice President

Address: PL Acquisition Corp.
c/o Pay Less Drug Stores
Northwest, Inc.
9275 Southwest Peyton
Wilsonville, Oregon 97070
Attention: Vice President
Real Estate

"Assignee"

PL Acquisition Corp.,
an Oregon corporation

By: *[Signature]*

Title: Vice President

ACKNOWLEDGMENTS

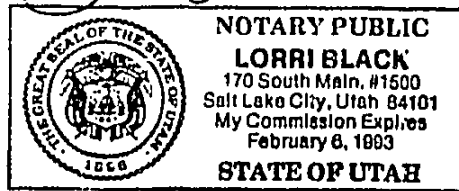
STATE OF Utah)
 COUNTY OF Salt Lake) SS

I, Lorri Black a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Jack Lunt, personally known to me to be the Vice President of American Drug Stores, Inc. and _____ personally known to me to be the _____ Secretary of said corporation, whose names are subscribed to the foregoing instrument, appeared before me this 7th day in person and severally acknowledged that they signed and delivered the said instrument of writing as Vice President and _____ 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 uses and purposes therein set forth.

Given under my hand and notarial seal this 7th day of June, 1991.

My Commission expires:
February 6, 1993

Lorri Black
 Notary Public



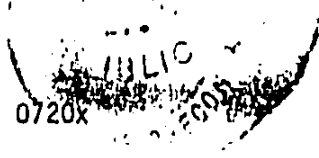
STATE OF OREGON)
 COUNTY OF CLACKAMAS) SS

I, Patricia A. Nelson a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that D.L. McKee, personally known to me to be the Vice President of P.L. Acquisition Corp, ~~and _____ personally known to me to be the _____ Secretary of said corporation~~, whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they signed and delivered the said instrument of writing as Vice President and _____ 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 uses and purposes therein set forth.

Given under my hand and notarial seal this 5th day of June, 1991.

My Commission expires: 10/6/91

Patricia A. Nelson
 Notary Public



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EXHIBIT A

The premises designated as the outlined land area shaded in red and marked "Skaggs" on the plot plan of the Shopping Center attached to the "Lease" as Exhibit A thereto, which Shopping Center is legally described as follows:

Here insert the legal description of the entire Shopping Center.

Begining at the Southeast corner of the intersection of 7000 South and 2300 East Streets, said point being South $0^{\circ}14'40''$ West 33.00 feet and South $89^{\circ}51'30''$ East 33.00 feet from the North quarter corner of Section 27, Township 2 South, Range 1 East, Salt Lake Base and Meridian, and running thence South $89^{\circ}51'30''$ East along the South line of 7000 South Street 1085.00 feet to a point of a 15.00 foot radius curve to the right; thence Easterly and Southerly along the arc of said curve 23.56 feet to a point of tangency on the West line of Promenade Drive; thence South $0^{\circ}08'30''$ West along said West line 102.52 feet to a point of a 15.00 foot radius curve to the right; thence Southwesterly along the arc of said curve 22.51 feet to a point of a reverse curve to the left on the North line of Cinnebar Lane, the radius point of said curve being South $3^{\circ}51'30''$ East 200.00 feet; thence Southwesterly along the arc of said curve and North line 124.41 feet; thence North $39^{\circ}30'$ West 105.19 feet; thence South $39^{\circ}10'$ West 243.69 feet; thence South $45^{\circ}11'35''$ West 720.00 feet; thence South $66^{\circ}22'30''$ West 102.47 feet; thence North $89^{\circ}45'20''$ West 150.00 feet to the East line of 2300 East Street; thence North $0^{\circ}14'40''$ East along said East line 336.00 feet to the point of begining.

GUARANTY

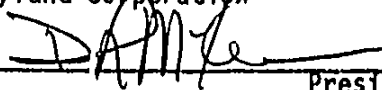
In consideration of the making of the foregoing Assignment of Lease dated as of the 18th day of June, 1991 (the "Assignment") with respect to certain store premises located in the City of Salt Lake City, County of Salt Lake and State of Utah and commonly known as 2378 East 7000 South by American Drug Stores, Inc., an Illinois corporation (the "Assignor"), to PL Acquisition Corp., an Oregon corporation (the "Assignee") at the request of the undersigned, Pay Less Drug Stores Northwest, Inc., a Maryland corporation (the "Guarantor"), and in reliance on this Guaranty, the Guarantor hereby unconditionally and irrevocably guarantees to the Assignor the payment in full of all sums to be paid by the Assignee when due and the performance by the Assignee of all of the terms, conditions, covenants and agreements of the Assignment. The obligations and agreements of the Guarantor under this Guaranty shall in no way be affected or impaired by reason of the happening from time to time of any of the following, although without notice to or the further consent of the Guarantor:

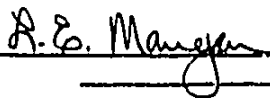
- (a) the waiver or release by the Assignor of the performance by the Assignee or Guarantor or any other party of any of the agreements, covenants, terms or conditions contained in the Assignment or this Guaranty;
- (b) the modification or amendment (whether material or otherwise) of any of the obligations of the Assignee or the Guarantor under the Assignment or this Guaranty;
- (c) any failure, omission or delay on the part of the Assignor to enforce, assert or exercise any right, power or remedy conferred on or available to the Assignor in or by the Assignment or this Guaranty, or any action on the part of the Assignor granting indulgence or extension in any form whatsoever;
- (d) the voluntary or involuntary liquidation, dissolution, sale of all or substantially all of the assets, marshalling of assets and liabilities, receivership, conservatorship, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or other similar proceeding affecting the Assignee or the Guarantor or any of their assets.

The Guarantor agrees that the liabilities and obligations of the Guarantor hereunder are primary, and are enforceable either before, simultaneously with or after proceeding against the Assignee. Notice of acceptance of this Guaranty and notice of any obligations or liabilities contracted or incurred by the Assignee are hereby waived by the Guarantor. This Guaranty may not be modified or amended except by a written agreement duly executed by the Guarantor with the consent in writing of the Assignor.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed and attested by its officers thereunto duly authorized.

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

By  President

Attest  Secretary

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ACKNOWLEDGMENT

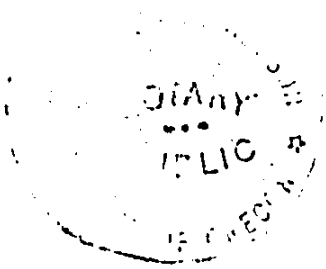
STATE OF OREGON)
) SS.
COUNTY OF CLACKAMAS)

I, Patricia A. Nelson, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that D.L. McKee personally known to me to be the SR, VP President of PAY LESS DRUG STORES NORTHWEST, INC., and L.E. Mangan personally known to me to be the Corp Secretary of said corporation, whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they signed and delivered the said instrument of writing as SR VP President and CORPORATE 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 uses and purposes therein set forth.

Given under my hand and notarial seal this 5th day of June, 1991

My Commission expires: 10/6/91

Patricia A. Nelson
Notary Public



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