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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

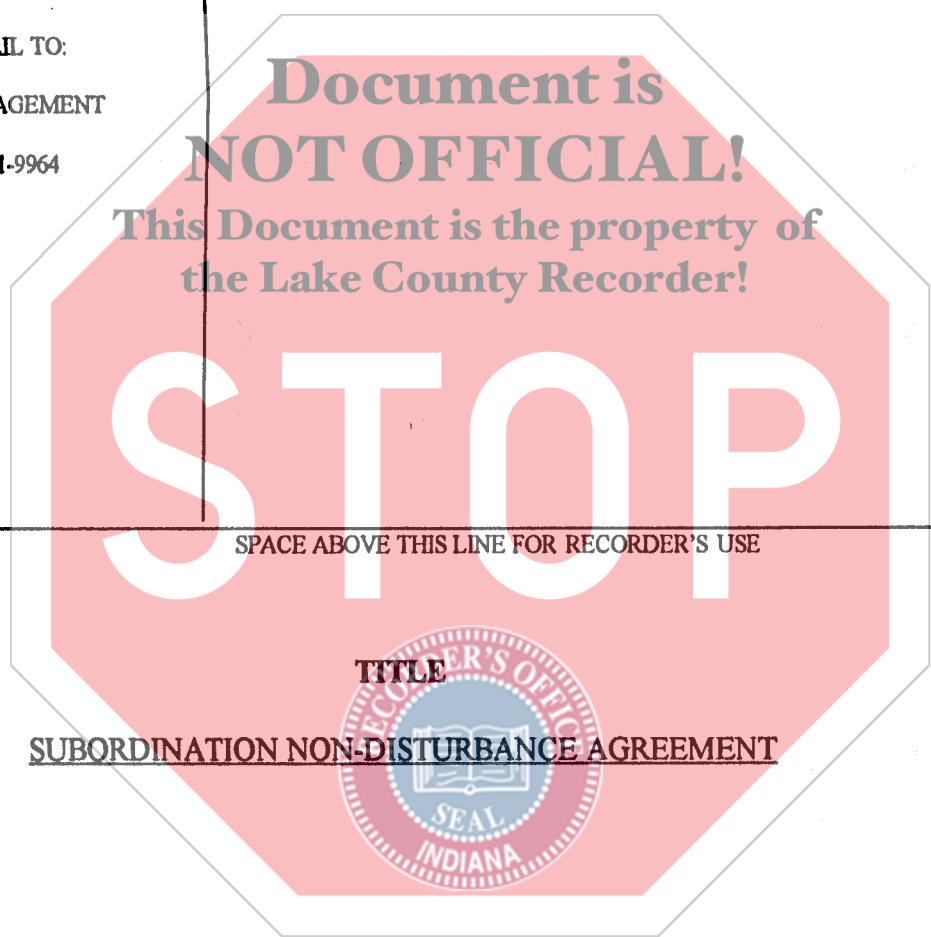
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MORRIS W. CARTER
RECORDER

RECORDING REQUESTED BY:
PIER 1 IMPORTS, (U.S.), INC. ASSET MANAGEMENT

WHEN RECORDED MAIL TO:
PIER 1 #357
ELISSA MACH/ASSET MANAGEMENT
POST OFFICE BOX 961020
FORT WORTH, TEXAS 76161-9964



21:00
12/6401

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SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement") is made to be effective as of the 7th day of July, 1999, by and between **SunAmerica Life Insurance Company**, an Arizona corporation, having an address at 1 SunAmerica Center, Century City, Los Angeles, California 90067-6022 ("Mortgagee"), and **Pier 1 Imports (U.S.), Inc.**, a Delaware corporation, having its principal office located at 301 Commerce Street, Suite 600, Fort Worth, Texas 76102 ("Tenant").

RECITALS

A. Tenant entered into a Lease Agreement dated August 5, 1987, as amended by First Amendment to Lease dated February 24, 1989 (collectively, the "Lease"), with Acadia Merrillville Realty, L.P., an Indiana limited partnership, successor-in-interest to RD Merrillville Associates, L.P., a Delaware limited partnership, successor-in-interest to Merrillville Plaza Associates, a Michigan general partnership as landlord ("Landlord"), covering certain premises (the "Premises") located at 1685 East 80th Avenue, Merrillville, Indiana, Pier 1 Imports Store #357, in the Merrillville Plaza Shopping Center, together with all improvements thereon. The Premises is constructed on the real property described in Exhibit "A" attached hereto.

B. Mortgagee is the owner and holder of a Mortgage or Deed of Trust (the "Mortgage") recorded in Book _____, Page _____, in the Office of the Lake County Recorder, County of Lake, State of Indiana, which secures a note now payable to Mortgagee and the lien of which encumbers all or part of the Premises.

C. Tenant and Mortgagee desire to enter into this Agreement to define their obligations to one another under the terms of the Lease and the Mortgage.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Tenant and Mortgagee hereby agree as follows:

1. The Lease shall be subject and subordinate to the lien of the Mortgage insofar as such lien affects the real property of which the Premises forms a part, and to all renewals, modifications, consolidations, replacements and extensions of the Mortgage to the full extent of the principal sum secured thereby and any interest thereon.

2. So long as Tenant is not in default (beyond any period given Tenant to cure such default) in the payment of rent or in the performance of any of the terms, covenants or conditions of the Lease on Tenant's part to be performed, Tenant's possession of the Premises and Tenant's rights and privileges under the Lease, or any extensions or renewals thereof which may be effected in accordance with any option granted in the Lease, shall not be diminished or interfered with by Mortgagee, and Tenant's occupancy of the Premises shall not be disturbed by Mortgagee during the term of the Lease or any such extensions or renewals thereof.

3. So long as Tenant is not in default (beyond any period given Tenant to cure such default) in the payment of rent or in the performance of any of the terms, covenants or conditions

of the Lease on Tenant's part to be performed, Mortgagee will not join Tenant as a party defendant for the purpose of terminating or otherwise affecting Tenant's interest and estate under the Lease in any action of foreclosure or other proceeding brought by Mortgagee for the purpose of enforcing any of its rights in event of any default under the Mortgage; provided however, Mortgagee may join Tenant as a party in any such action or proceeding if such joinder is necessary under any statute or law for the purpose of effecting the remedies available to Mortgagee under the Mortgage but only for such purpose and not for the purpose of terminating the Lease, or affecting Tenant's right to possession.

4. If the interest of Landlord in the Premises shall be transferred to and owned by Mortgagee by reason of foreclosure, sale under a private power contained in a deed of trust, or other similar proceedings brought by it, and Mortgagee succeeds to the interest of Landlord under the Lease, Tenant shall be bound to Mortgagee, and Mortgagee shall be bound to Tenant, under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be effected in accordance with any option granted in the Lease, with the same force and effect as if Mortgagee were Landlord under the Lease, and Tenant does hereby attorn to Mortgagee as its landlord, said attornment to be effective and self-operable without the execution of any further instruments on the part of any of the parties hereto immediately upon Mortgagee succeeding to the interest of Landlord under the Lease; provided, however, that Tenant shall be under no obligation to pay rent to Mortgagee until Tenant receives written notice from Mortgagee, together with evidence satisfactory to demonstrate that Mortgagee has succeeded to the interest of Landlord under the Lease and directing where such rent should be mailed. The respective rights and obligations of Tenant and Mortgagee upon such attornment, to the extent of the then remaining balance of the term of the Lease shall be and are the same as set forth therein, it being the intention of the parties hereto for this purpose to incorporate the Lease in this Agreement by reference with the same force and effect as if set forth at length herein. If Mortgagee shall succeed to Landlord's interest in the Premises and the Lease, then Mortgagee shall be bound to Tenant under all the terms, covenants and conditions of the Lease, and Tenant shall, from and after Mortgagee's succession to the interest of Landlord under the Lease, have the same remedies against Mortgagee for the breach of any agreement contained in the Lease that Tenant might have had under the Lease against Landlord if Mortgagee had not succeeded to the interest of Landlord.

5. The terms "holder of a mortgage" and "Mortgagee" or any similar term either herein or in the Lease shall be deemed to include Mortgagee, the trustee under any deed of trust affecting the Premises, and any of their agents, heirs, successors or assigns, including anyone who shall have succeeded to Landlord's interest by, through or under foreclosure, sale under a private power contained in a deed of trust, or by, through or under any other similar proceeding. The term "Mortgage", or any similar term, either herein or in the Lease shall be deemed to include the Mortgage as defined herein, and any amendments or addenda thereto. The term "Landlord" shall include Landlord as defined herein and the successors and assigns of Landlord. The term "Tenant" shall include Tenant as defined herein and the successors, assigns and sublessees of Tenant; and this Agreement shall inure to the benefit of and be binding upon such successors, assigns and sublessees. The term "Lease" shall include the Lease and all amendments, addenda, extensions and renewals thereto.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Agreement to be duly executed as of the day and year indicated below to be effective the date of last signing.

MORTGAGEE:

SUNAMERICA LIFE INSURANCE COMPANY, an Arizona corporation

WITNESS:

By: Will Updegraff
Name: _____
Title: _____

Date: _____

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TENANT:

PIER 1 IMPORTS (U.S.), INC., a Delaware corporation

WITNESS:

Joan Ott

By: J. Rodney Lawrence
Name: _____
Title: Senior Vice President

Date: 7-15-99

STOP

(Acknowledgements on next page)



State of California)
) ss
County of LOS ANGELES)

On August, 16 1999, before me, MICHELLE CAMPION, NOTARY PUBLIC, personally appeared WILLIAM M. PETAK, personally known to me, ~~or proved to me on the basis of satisfactory evidence~~ to be the person(x) whose name(x) 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.

WITNESS my hand and official seal.



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the Lake County Recorder.

Michelle D. Campion
Signature of Notary

STOP



STATE OF _____

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COUNTY OF _____

Before me, the undersigned authority, on this day personally appeared _____, the _____ of **SunAmerica Life Insurance Company**, an Arizona corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this _____ day of _____, 1999.

(seal)

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Notary Public in and for the State of _____
My commission expires: _____

STOP

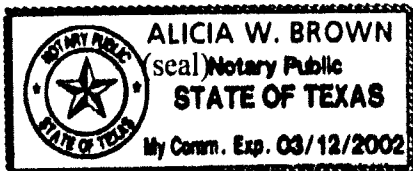
STATE OF TEXAS

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COUNTY OF TARRANT

Before me, the undersigned authority, on this day personally appeared J. Rodney Lawrence, the Senior Vice President of **Pier 1 Imports (U.S.), Inc.**, a Delaware corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and seal of office this 15th day of July, 1999.



Alicia W. Brown
Notary Public in and for the State of Texas
My commission expires: 03-12-02

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DESCRIPTION OF PROPERTY: Parcel #1 - Part of the North 1/2 Section 23, Township 35 North, Range 8 West of the 2nd P.M., in Ross Township, Lake County, Indiana, lying Southwesterly of the 100 foot right-of-way of the Chesapeake and Ohio Railroad and North of the 200 foot right-of-way of U.S. Highway No. 30, described as follows: Commencing at the Northwest corner of said Section 23; thence South 02°42'00" East along the West line of said Section 23 a distance of 1598.93 feet to the point of beginning of this described parcel; thence North 88°25'00" East 1051.41 feet; thence North 27°18'00" East 147.49 feet more or less to the South line of said 100 foot wide Chesapeake and Ohio Railroad right-of-way; thence South 62°42'00" East along said South right-of-way 353.34 feet to a point 1652.33 feet South 62°42'00" East from the West line of said Section 23 and measured along the South line of said Railroad right-of-way; thence South 27°18'00" West, 354.33 feet; thence North 62°42'00" West, 36.92 feet; thence South 27°18'00" West 614.54 feet more or less to the Northerly right-of-way line of U. S. Highway 30; thence Westerly along the Northerly line of said Highway 44.97 feet; thence North 01°35'00" West, 43.06 feet; thence North 88°25'00" East, 17.0 feet; thence North 01°35'00" West, 150 feet; thence South 88°25'00" West, 326.65 feet; thence South 01°35'00" West 193.56 feet to the Northerly right-of-way of U. S. Highway No. 30; thence Westerly along the Northerly line of said Highway 210 feet to the East line of the American Oil property described in Deed recorded in Deed Record 1288 page 199; thence North 02°42'00" West 191.812 feet along said East line; thence South 87°18'00" 350 feet to a point on the West line of said Section 23, that is 2287.90 feet South of the Northwest corner of said Section 23; thence North 02°42'00" West 688.97 feet to the point of beginning, containing 21.108 acres more or less.

EXHIBIT A
LEGAL DESCRIPTION

