

9207270102

12/13

LAND TITLE COMPANY OF SKAGIT COUNTY

T-68484

After recording, return to:
David C. Baca
1300 SW 5th Avenue, Suite 2300
Portland, Oregon 97201

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

JUL 27 1992

Amount Paid \$
By: Skagit County Treasurer
Deputy

ASSIGNMENT OF LEASE

AND

GUARANTY OF TENANT'S OBLIGATIONS

PAY'n SAVE DRUG STORES, INCORPORATED ("Assignor"), ADC DISTRIBUTION CORP. ("Assignee") and PAY LESS DRUG STORES NORTHWEST, INC. ("Pay Less") agree as follows:

1. Recital. Assignor is the Tenant in possession and is the current owner of all the Tenant's right, title and interest in the Lease described in Exhibit A attached hereto (the "Lease"), which Lease is of the real property located in the State of Washington and legally described in Exhibit B hereto.

2. Effective Date. This Assignment and the Guaranty set forth herein shall be effective at 7:00 a.m. Pacific Daylight Time on the date that a wholly owned subsidiary of Pay Less becomes the owner of all the stock of Assignee (the "Effective Date"), and Assignor shall give possession of the leased premises to Assignee at said hour and date.

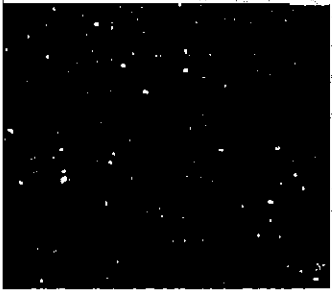
3. Assignment and Assumption. Assignor assigns and transfers to Assignee all of its right, title and interest in the Lease and Assignee accepts such assignment and assumes and agrees to perform, from the Effective Date as a direct obligation to the Landlord under the Lease, all the duties and obligations of the Tenant under the Lease.

4. Continuing Liability of Assignor. Unless otherwise agreed by the Landlord, Assignor shall remain liable to the Landlord for the performance of all of the duties and obligations of the Tenant under the Lease, if and to the extent such duties and obligations are not performed by Assignee.

5. Guaranty by Pay Less. Pay Less hereby guarantees the full and faithful performance by Assignee from and after the Effective Date of all of the duties and obligations of the Tenant under the Lease. This guarantee is made expressly for the benefit of the Landlord and the persons or entities who may from time to time succeed to the Landlord's interest under the Lease, and may be enforced against Pay Less to the same extent as if Pay Less were the named Assignee herein and to the same extent as if the Landlord were a party to this agreement.

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BK1099PG0153



WITNESS due execution by the respective parties.

Assignor:

PAY'n SAVE DRUG STORES, INCORPORATED

By: [Signature]
SENIOR VICE PRESIDENT

Assignee:

ADC DISTRIBUTION CORP.

By: [Signature]

Pay Less (Guarantor):

PAY LESS DRUG STORES NORTHWEST, INC.

By: [Signature]

STATE OF WASHINGTON)
County of King) ss.

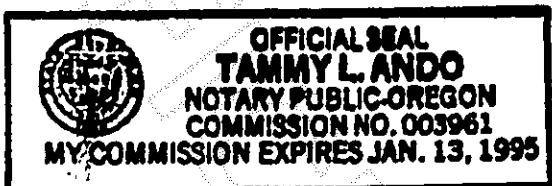
On this 17th day of July, 1992, personally appeared before me James F. Adams, to me known to the SENIOR VICE PRESIDENT of the corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year first above written.

James Lucille Law
NOTARY PUBLIC FOR WASHINGTON
residing at Seattle
My commission expires: 3-15-94

STATE OF OREGON)
County of Clackamas) ss.

On this 10th day of July, 1992, before me, the undersigned Notary Public in and for said State, personally appeared James W. Gaube, known to me to be the Vice President of ADC DISTRIBUTION CORP., 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

STATE OF OREGON)
) ss.
County of Clackamas)

On this 10th day of July, 1992, before me, the undersigned Notary Public in and for said State, personally appeared James W. Gaube, known to me to be the 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

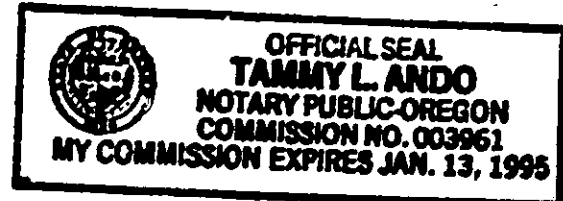


EXHIBIT A

**Store No. P058
242 College Way
Mt. Vernon, WA 98273
(206) 424-7981**

- A. Lease - Expiration Date: 6/8/93
- B. Master/Ground Lease - Expiration Date: N/A
- C. Amendments/Supplements/Letter Agreements, etc.
- 5/4/73 First Amendment to Lease: Property description confirmed.
- 6/24/77 Letter Agreement between Northmount Associates (Landlord) and Pay n' Save Corporation re: property taxes.
- 10/31/85 Second Amendment to Lease: Master lease separated into Pay n' Save lease and Ernst lease.
- 5/3/86 Lease Assignment from Pay n' Save Corporation to Ernst Home Center, Inc.
- 7/21/86 Third Amendment to Lease: Space addition.
- 6/29/88 Lease Assignment from Thrifty to USEACQ Corporation.
- D. Renewal Options - Number remaining as of date hereof : (3)
2-5 year and 1-10 year options
- Notice Required to Exercise: 90 days prior to expiration of previous term.

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EXHIBIT B

Store No. 58

PROPERTY DESCRIPTION:

Tracts A and C, Short Plat No. MV-11-79, approved October 4, 1979, recorded October 5, 1979 in Book 3 of Short Plats, pages 192-194 under Auditor's File No. 7910050029 and being a portion of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 18, Township 34 North, Range 4 East, W.M.

TOGETHER WITH an easement for ingress and egress over, across and through the West 20 feet of the following described tract of land;

Beginning at the Northeast corner of said subdivision;
thence South $0^{\circ}40'30''$ West along the East line of said subdivision, a distance of 40.00 feet;
thence West along the South line of College Way on a line which is parallel to and 40 feet South of the North line of said subdivision, a distance of 686.15 feet to the true point of beginning of this description;
thence West, a distance of 206.30 feet;
thence South $0^{\circ}25'05''$ West, a distance of 190.00 feet;
thence East, a distance of 206.30 feet;
thence North $0^{\circ}25'05''$ East, a distance of 190.00 feet to the true point of beginning of this description.

ALSO, TOGETHER WITH an easement for ingress and egress over, across and through the North 33.00 feet of the South 113.00 feet of the following described tract of land;

Beginning at the Northeast corner of said subdivision;
thence South $0^{\circ}40'30''$ West along the East line of said subdivision, a distance of 256.27 feet;
thence South $89^{\circ}31'29''$ West, a distance of 30.01 feet to the true point of beginning of this description;
thence South $0^{\circ}40'30''$ West, a distance of 219.09 feet;
thence South $88^{\circ}43'58''$ West, a distance of 224.07 feet;
thence North $0^{\circ}40'30''$ East, a distance of 222.19 feet;
thence North $89^{\circ}31'29''$ East, a distance of 224.00 feet to the true point of beginning of this description.

ALSO, TOGETHER WITH the rights to parking area privileges on all of the following described tract of land.

EXCEPT the South 113.00 feet thereof;

Beginning at the Northeast corner of said subdivision;
thence South $0^{\circ}40'30''$ West, along the East line of said subdivision, a distance of 256.27 feet;

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EXHIBIT B

Store No. 58

PROPERTY DESCRIPTION:

thence South 89°31'29" West, a distance of 30.01 feet to the true point of beginning of this description;
thence South 0°40'30" West, a distance of 219.09 feet;
thence South 88°43'58" West, a distance of 224.07 feet;
thence North 0°40'30" East, a distance of 222.19 feet;
thence North 89°31'29" East, a distance of 224.00 feet to the true point of beginning of this description.

ALSO, TOGETHER WITH an easement for ingress and egress over, across and through the North 33.00 feet of the South 110.00 feet of the East 254.00 feet of the Northeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$, less the East 30 feet thereof as City Street,

situate in the County of Skagit, State of Washington.

RECORDED _____ FILED _____
REQUEST OF _____

92 JUL 27 AM 11:44

JERRY MCINTURE
SKAGIT COUNTY AUDITOR

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