

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

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (the "Agreement") is made and entered into by and among **HUNTER PROPERTY, LLC**, an Alabama limited liability company (hereinafter referred to for convenience as the "Landlord"), **HARBOR FREIGHT TOOLS USA, INC.**, a Delaware corporation (hereinafter referred to for convenience as the "Tenant"), and **FIRST PARTNERS BANK**, an Alabama banking corporation (hereinafter referred to for convenience as the "Mortgagee") as of the 15 day of October, 2014.

W I T N E S S E T H:

WHEREAS, by lease dated the 21st day of August, 2014 as amended by an Addendum to Lease dated August 29, 2014 (herein referred to as the "Lease"), Landlord leased to Tenant, and Tenant leased from Landlord, certain property (hereinafter referred to for convenience as the "Property") in Pelham, Shelby County, Alabama more particularly described in said Lease; and

WHEREAS, Landlord has applied to Mortgagee for a loan to be secured by a future advance mortgage and security agreement (the "Mortgage") on certain property of the Landlord, including, without limitation, the Property; and

WHEREAS, Tenant has agreed that the Lease shall be subject and subordinate to the lien of the Mortgage held by Mortgagee, provided Tenant is assured of continued occupancy of the Premises under the terms of the Lease.

NOW, THEREFORE, in consideration of the premises, the mutual promises and covenants of the parties hereunder, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Mortgagee to make the Loan or an advance of the proceeds of the Loan, the parties agree as follows:

1. The Lease and the lien thereof and all estates, rights, options, liens, and encumbrances of Tenant thereunder shall at all times be subject and subordinate in all respects to the lien of the Mortgage as renewed, replaced, consolidated, modified, assigned, extended and increased.

2. So long as Tenant is not in default in the payment of rent or additional rent or in the performance of any of the other terms, covenants or conditions of the Lease on Tenant's part to be performed beyond any applicable notice and cure period, Tenant's possession under the Lease shall not be disturbed or interfered with by Mortgagee during the term of the Lease.

3. If the interest of Landlord shall be acquired by Mortgagee or any other person or entity (including, without limitation, any assignee or transferee of Mortgagee) by reason of (a) foreclosure of the Mortgage, (b) other proceedings brought or actions taken to enforce the rights of the holder thereof, or (c) deed in lieu of foreclosure or any other instrument, and Mortgagee succeeds to the interest of Landlord under the Lease, Tenant shall be bound to Mortgagee under all of the terms, covenants, and conditions of the Lease for the balance of the term thereof remaining, with the same force and effect as if Mortgagee were the lessor or landlord under the Lease, and Tenant does hereby attorn to Mortgagee as its lessor, said attornment to be effective and self-operative without the execution of any other instruments on the part of

either party hereto immediately upon Mortgagee's succeeding to the interest of Landlord under the Lease. Tenant further covenants and agrees to attorn to: (i) Lender when in possession of the premises; (ii) a receiver appointed in an action to foreclose the Mortgage; or (iii) any other party acquiring title to the Premises by foreclosure or conveyance in lieu of foreclosure.

4. Any provision of this Agreement to the contrary notwithstanding, the Lender shall have no obligation, or incur any liability, with respect to the erection and completion of the building in which the premises demised by the Lease are or are to be located or for the completion of such premises or any improvements for Tenant's use and occupancy; provided however, nothing herein shall preclude Tenant from exercising its offset right against Lender in order to recoup the value of the construction allowance provided to Tenant up to a maximum sum of \$300,000.00 in accordance with the Lease; provided further, Lender may, in its sole discretion, elect to complete construction of any building or improvements provided for in the Lease.

5. Notwithstanding any other provision of this Agreement or the Lease, the Mortgagee shall not be:

- (a) liable for any act or omission of any prior landlord (including Landlord) unless such act or omission is of a continuing nature and Mortgagee has received prior written notice; or
- (b) subject to any offsets or defenses that Tenant might have against any prior landlord (including Landlord) unless such offset or defense is of a continuing nature and Mortgagee has received prior written notice or as set forth in Paragraph 4 above; or
- (c) bound by any rent or additional rent that Tenant might have paid for more than the then current month to any prior landlord (including Landlord); or
- (d) in any way responsible for any deposit or security that was delivered to Landlord but which was not subsequently delivered to Mortgagee.

6. Tenant shall give prompt written notice to Lender of all defaults by Landlord under the Lease which are of such a nature as to give Tenant a right to terminate the Lease, to reduce rent, or to credit or offset any amounts against future rents, and Lender shall have the same amount of time as Landlord as set forth in the Lease, but shall not be required, to cure the same.

7. Whenever notice is required or permitted under this Agreement, it shall be in writing and shall be deemed to be properly given upon receipt or refusal if sent by nationally recognized overnight courier service. For purposes of this Agreement, delivery of a notice to an address from which the recipient has moved but failed to notify the other parties of modification of such address as hereinafter provided shall be deemed to constitute refusal of such notice by the intended recipient. All notices required or permitted under this Agreement shall be delivered to the party entitled thereto at the following addresses:



20141230000408500 2/6 \$29.00
Shelby Cnty Judge of Probate, AL
12/30/2014 12:21:23 PM FILED/CERT

Lender: FIRST PARTNERS BANK
2121 Highland Avenue South
Birmingham, AL 35205
Attn: J. David Sizemore

Tenant: HARBOR FREIGHT TOOLS USA, INC.
26541 Agoura Road
Calabasas, CA 91302
Attn: Vice President, Real Estate

With a copy to same address:
Attn: General Counsel

Landlord: HUNTER PROPERTY, LLC
7178 Roper Road
Trussville, AL 35173
Attn: Mary Jane Butler

The foregoing addresses may be modified by delivery of written notice of such modification to the parties entitled thereto, which written notice shall be delivered and deemed effective as set forth herein.

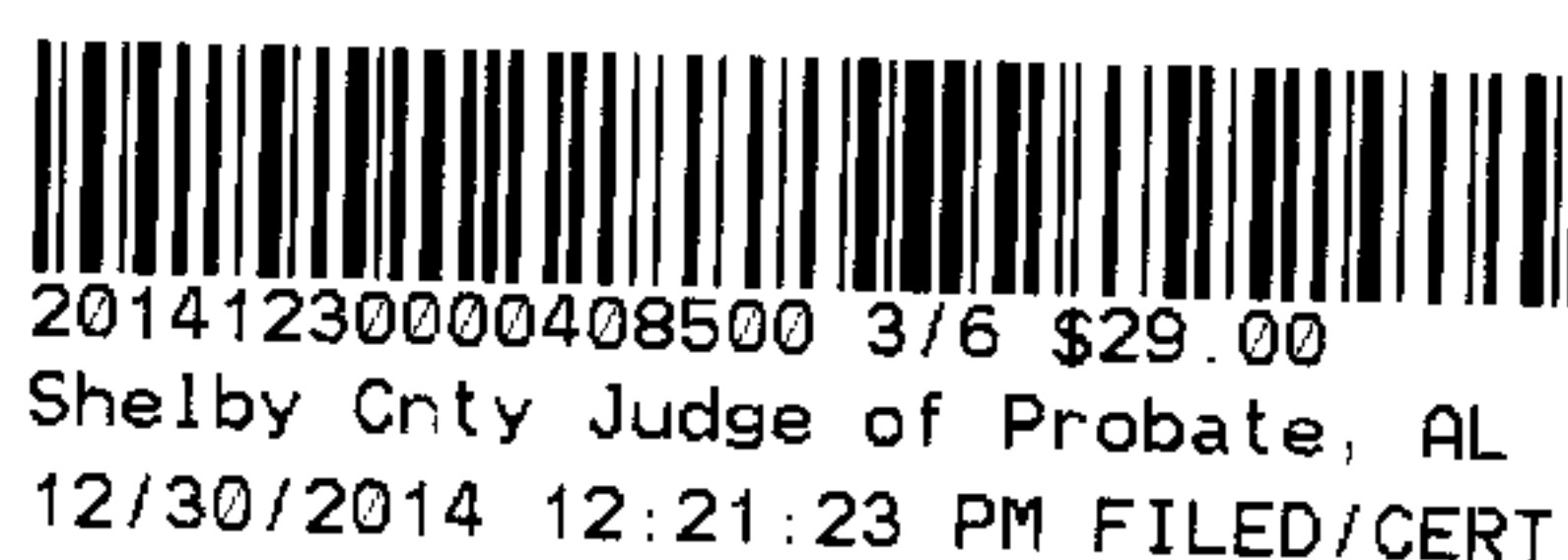
8. The parties acknowledge and agree that the Lease has been assigned to Mortgagee pursuant to separate agreements between Landlord and Mortgagee and that this Agreement shall not in any way diminish Mortgagee's right to rents and profits arising out of the Lease. To the contrary, Landlord and Tenant expressly acknowledge Mortgagee's right to the rents and profits arising out the Lease and they covenant and agree that Tenant shall be entitled and obligated to pay all rents and profits to Mortgagee as provided in said separate agreements. If Mortgagee sends a rent payment notice stating that rents must be paid to Mortgagee then Tenant shall be entitled to rely on the rent payment notice. Tenant shall be under no duty to controvert or challenge any rent payment notice. Tenant's compliance with a rent payment notice shall not be deemed to violate the Lease. Tenant shall be entitled to full credit under the Lease for any rent paid to Mortgagee pursuant to a rent payment notice to the same extent as if such rent were paid directly to Landlord. Landlord shall release and discharge Tenant of and from any liability to Landlord on account of any such payments.

9. This Agreement may not be altered, modified or amended except in writing signed by all of the parties hereto.

10. This Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and assigns. Without limiting the foregoing, the term "Landlord" as used herein shall also refer to the grantees, successors and assigns of the Landlord named herein and the term Mortgagee shall also refer to their successors and assigns of Mortgage named herein.

11. This Agreement may be executed in any number of counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original, and all of which counterparts, taken together, shall constitute one and the same Agreement.

[SIGNATURES AND ACKNOWLEDGMENTS ON FOLLOWING PAGES]



IN WITNESS WHEREOF, the parties hereto have set their hands and seals to this Agreement as of the day and year first above written.

LANDLORD:

HUNTER PROPERTY, LLC, an Alabama limited liability company

By: Mary Jane Butler
Name: Mary Jane Butler
Title: Manager

STATE OF ALABAMA)
 :
COUNTY OF JEFFERSON)

I, a Notary Public in and for said County, in said State, hereby certify that Mary Jane Butler, whose name as Manager of **HUNTER PROPERTY, LLC**, an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, she, as such Manager and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand this 21st day of October, 2014.

[NOTARIAL SEAL]

[Signature]
NOTARY PUBLIC
My Commission Expires: _____

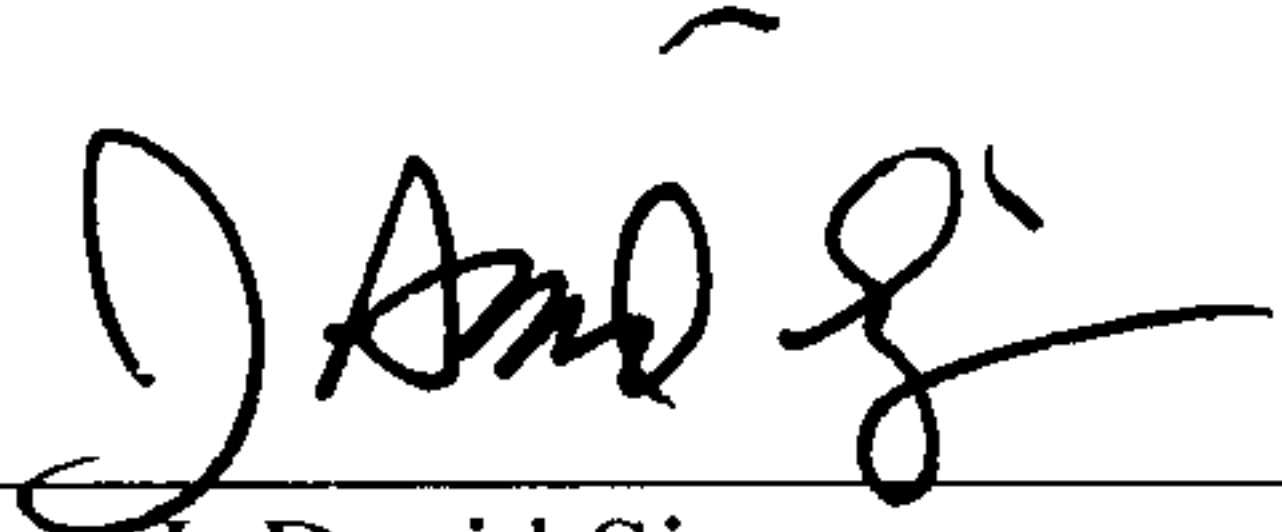
ROBERT H. SPRAIN, JR.
Notary Public - Alabama
Jefferson County
My Commission Expires
June 29, 2017

20141230000408500 4/6 \$29.00
Shelby Cnty Judge of Probate, AL
12/30/2014 12:21:23 PM FILED/CERT

SNDA - Page 5

MORTGAGEE:

FIRST PARTNERS BANK, an Alabama banking corporation


By: 
Name: J. David Sizemore
Title: Senior Vice President


STATE OF ALABAMA)
 :
COUNTY OF JEFFERSON)

I, a Notary Public in and for said County, in said State, hereby certify that J. David Sizemore, whose name as Senior Vice President of **FIRST PARTNERS BANK**, an Alabama banking corporation is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said bank.

Given under my hand this 24th December day of ~~October~~, 2014.

[NOTARIAL SEAL]


NOTARY PUBLIC
My Commission Expires: 12/24/2015


20141230000408500 6/6 \$29.00
Shelby Cnty Judge of Probate, AL
12/30/2014 12:21:23 PM FILED/CERT