

PREPARED BY!
After recording, return to:
MICHAELS STORES, INC.
8000 Bent Branch Drive
Irving, Texas 75063
Attn: Director - Real Estate Lease Administration



SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THE STATE OF ILLINOIS §
 §
COUNTY OF COOK §

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made and entered into this 5th day of December, 2000, by and between E.C.K.E., L.L.C., an Illinois limited liability company ("Landlord"), LASALLE BANK NATIONAL ASSOCIATION, a national banking association, its successors and assigns ("Lender"); and MICHAELS STORES, INC., a Delaware corporation ("Tenant").

WITNESSETH:

WHEREAS, Tenant entered into that certain Shopping Center Lease dated January 6, 1997 (the "Lease"), with Landlord for retail premises ("Premises") in Deer Grove Centre (the "Shopping Center"), constructed on that certain tract or parcel of land in the City of Palatine, County of Cook and State of Illinois, more particularly described in Exhibit A attached to this Agreement and incorporated herein by reference; and

WHEREAS, Landlord has assigned or will assign to Lender and Lender's successors and assigns, Landlord's interest in, to and under the Lease as a portion of the collateral security for a loan in the amount of \$20,500,00.00 made or to be made by Lender to Landlord and to be additionally secured by a first lien mortgage or deed of trust (the "Mortgage"); and

WHEREAS, Tenant desires to be assured of the continued use and occupancy of the Premises under the terms and conditions of the Lease.

NOW THEREFORE, for and in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the undersigned parties hereby agree as follows:

1. Tenant does hereby consent to the subordination of the Lease and Tenant's rights thereunder to the lien of the Mortgage; provided, however, that the consent and subordination will be contingent upon and subject to the condition that so long as Tenant is not in default, after receipt of any written notice required to be given under the Lease and the expiration of any applicable grace and/or curative period thereunder, in the performance of any of the terms of the Lease, Tenant's possession of the Premises and Tenant's rights and privileges under the Lease or any extensions or renewals thereof will not be disturbed, diminished or interfered with by Lender or by anyone claiming an interest in the Shopping Center, whether by purchase at foreclosure, deed in lieu of foreclosure or otherwise.

2. In the event of a foreclosure sale under the Mortgage or deed in lieu thereof, Tenant will be bound to Lender or to any purchaser at foreclosure or recipient of a deed in lieu of foreclosure (collectively, "Purchaser") under all of the terms of the Lease for the balance of the term thereof remaining, including any extensions or renewals thereof elected by Tenant with the same force and effect as if Lender or Purchaser were Landlord under the Lease, and Tenant hereby attorns to Lender or Purchaser as "Landlord" under the Lease, such attornment to be effective and self-operative without the execution of any further instrument. Notwithstanding

1st AMERICAN TITLE order # CC 200493 12/08/00

anything to the contrary contained herein, Tenant will be under no obligation to pay rent to Lender or Purchaser until Tenant receives written notice from Lender or Purchaser that Lender and/or such other party has succeeded to the interest of "Landlord" under the Lease. The respective rights and obligations of Tenant and Lender or Purchaser upon such attornment will, to the extent of the then remaining balance of the term of the Lease, including, any extensions or renewals thereof elected by Tenant, be the same as now 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.

3. In the event that there is a foreclosure for any reason, Lender or Purchaser will be bound to Tenant under all the terms of the Lease and Tenant will, from and after such event, have the same remedies against Lender or Purchaser for the breach of any covenant contained in the Lease that Tenant might have had under the Lease against Landlord, provided, however, Lender or Purchaser shall not be:

- (a) liable for any action or omission of any prior landlord under the Lease, provided, however, Tenant may give Lender or Purchaser notice of any event of default which originated prior to, and continues to exist subsequent to, the succession of Lender or Purchaser to the interest of landlord under the Lease (a "Continuing Default") and Lender or Purchaser shall have the same obligation to cure any such Continuing Default, and Tenant shall have the same rights and remedies should Lender or Purchaser fail to cure the Continuing Default, as if the Continuing Default had originated subsequent to the succession of Lender or Purchaser to the interest of landlord under the Lease; or
- (b) subject to any offsets or defenses which Tenant might have against any prior landlord, provided Lender's or Purchaser's liability for damages as a result of a Continuing Default shall be limited to those damages accruing after (i) Lender's or Purchaser's succession to the interest of "landlord" under the Lease, and (ii) the expiration of the notice and cure periods provided under the Lease for the curing of such Continuing Default.

4. If Lender enforces any assignment of rents clause contained in the Mortgage or in any other instrument securing the loan, Lender and Landlord will hold Tenant harmless from any claims arising out of Tenant's paying rent, as required under the Lease, to Lender or by complying with the assignment of rents clause or similar right.

5. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. This Agreement will inure to the benefit of and be binding upon the parties hereto, their successors and assigns, and any purchaser or purchasers at foreclosure of the Shopping Center and their respective heirs, personal representatives, successors and assigns.

6. This Agreement will be governed by and construed in accordance with the laws of the State of Illinois.

7. The effective date of this Agreement will be the later to occur of: (i) the date of execution by the last party to sign this Agreement provided an executed original of this Agreement is thereafter delivered to all other parties to this Agreement, and (ii) the date the mortgage and deed of trust referenced in the Subordination, Non-Disturbance, and Attornment Agreement, dated February 24, 1997 and recorded on March 7, 1997 in Cook County, by and between LaSalle National Bank as Lender, Landlord and Tenant is fully discharged and released; provided satisfactory proof of such release is soon thereafter provided to Tenant.

8. IN THE EVENT A FULLY EXECUTED ORIGINAL COUNTERPART OF THIS AGREEMENT IS NOT PROVIDED TO TENANT WITHIN NINETY (90) DAYS OF THE DATE OF EXECUTION BY TENANT AS SHOWN BELOW, THIS AGREEMENT SHALL SELF-OPERATIVELY BECOME NULL AND VOID.

IN WITNESS WHEREOF, the parties hereto have executed and sealed this Agreement as of the day and year first above written.

UNOFFICIAL COPY

ATTEST

By: _____

Name: _____

Title: _____

(Seal)

LANDLORD

00970004

E.C.K.E., L.L.C., an Illinois limited liability company

By: T.W.B.

Name: Timothy W. Barron

Title: Manager

Date: 12/05/00

ATTEST

By: Jane S. Woytek

Name: Jane S. Woytek

Title: Officer

(Seal)

LENDER

LASALLE NATIONAL BANK,
a national banking association

By: [Signature]

Name: Aun B. Joseph

Title: 1st V.P.

Date: 12/09/00

ATTEST

By: Janet S. Morehouse

Name: Janet S. Morehouse

Title: Assistant Secretary

(Seal)

TENANT

MICHAELS STORES, INC.,

a Delaware corporation

By: [Signature]

Name: Douglas B. Sullivan

Title: Executive Vice President-Development

Date: 12-1-00

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ACKNOWLEDGMENTS

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LANDLORD

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STATE OF ILLINOIS §

COUNTY OF COOK §

On 12/4/00 before me, JULIE A. GOODMAN
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared ANN B. JOSEFSON, 1947 LASALLE BANK
NAME(S) OF SIGNER(S)

personally known to me - or -

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) 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.
Julie A. Goodman
SIGNATURE OF NOTARY

LANDLORD
~~LANDLORD~~

STATE OF ILLINOIS §

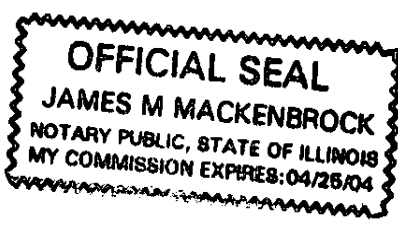
COUNTY OF DUPAGE §

On 12/5/00 before me, JAMES M. MACKENBROCK
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Timothy W. Barrett
NAME(S) OF SIGNER(S)

personally known to me - or -

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) 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.
James M. Mackenbrock
SIGNATURE OF NOTARY

UNOFFICIAL COPY

00970004

TENANT

STATE OF

Illinois §

COUNTY OF

Dallas §

On

12/1/00
DATE

before me,

Betty J. Bauerle

NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

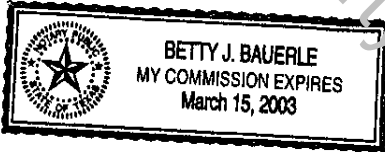
Douglas B. Sullivan
Executive Vice President-Development

personally appeared

NAME(S) OF SIGNER(S)

personally known to me - or -

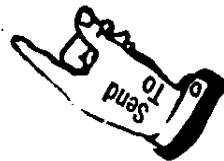
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Betty J. Bauerle
SIGNATURE OF NOTARY

ATTN: REBECCA JANOVSKY
LaSalle BANK NATIONAL ASSOC.
135 SO. LaSalle ST.
SUITE 1250
CHGO, IL. 60603



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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

LOTS 2, 4, 5, 7 AND 8 IN DEER GROVE CENTRE, BEING A SUBDIVISION OF PART OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED DECEMBER 6, 1995 AS DOCUMENT 95849083, IN COOK COUNTY, ILLINOIS.

(EXCEPT THAT PARTS OF LOT 4 IN THE AFORESAID DEER GROVE CENTRE CONVEYED TO THE STATE OF ILLINOIS DEPARTMENT OF TRANSPORTATION BY WARRANTY DEED RECORDED APRIL 18, 1996 AS DOCUMENT 96294440 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EASTERNMOST CORNER OF LOT 4 IN SAID SUBDIVISION; THENCE SOUTH 72 DEGREES 16 MINUTES 22 SECONDS WEST A DISTANCE OF 10.801 m [35.44 FEET]; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 4.734 m [15.53 FEET]; THENCE SOUTH 20 DEGREES 40 MINUTES 20 SECONDS WEST, A DISTANCE OF 14.450 m [47.41 FEET]; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 14.935 m [49.00 FEET]; THENCE NORTH 25 DEGREES 58 MINUTES 13 SECONDS WEST, A DISTANCE OF 15.038 m [49.34 FEET]; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 38.100 m [125.00 FEET]; THENCE NORTH 85 DEGREES 36 MINUTES 43 SECONDS WEST, A DISTANCE 42.985 m [141.03 FEET] TO A POINT ON THE NORTH LINE OF SAID LOT 4; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID NORTH LINE, A DISTANCE OF 122.602 m [402.24 FEET] TO THE POINT OF BEGINNING.)

PARCEL 2:

EASEMENTS FOR INGRESS, EGRESS, UTILITIES, CONSTRUCTION, MAINTENANCE, RECONSTRUCTION AND PARKING AS CREATED BY OPERATION AND EASEMENT AGREEMENT RECORDED DECEMBER 7, 1995 AS DOCUMENT 95852706 UPON, OVER AND ACROSS LOT 6 IN DEER GROVE CENTRE, BEING A SUBDIVISION OF PART OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 615 East Dundee Road, Palatine, Illinois

Parcel Identification Numbers: 02-11-209-006; 02-11-209-008; 02-11-209-009; 02-11-209-011; 02-11-209-012