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AFTER RECORDING PLEASE
RETURN TO:
Attention: Mark Litner
Much, Shelist, Freed, Denenberg,
Ament & Rubenstein, P.C.
200 N. LaSalle Street, Suite 2100
Chicago, IL 60601

1535/0170 45 001 Page 1 of 10
2000-02-22 11:35:02
Cook County Recorder 39.00



Common Address:
1350 N. Wells Street
Chicago, IL 60611

Permanent Index Number(s):
17-04-213-009 17-04-213-010

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement") is made to be effective as of the 24th day of January, 2000, by and among **Bank Leumi USA**, a banking corporation, having an address at 100 North LaSalle Street, Chicago, Illinois 60602 ("Mortgagee"), **LaSalle Bank National Association**, successor trustee to **LaSalle National Bank**, not personally, but solely as Trustee under **Trust Agreement dated July 13, 1983** (the "Trust"), and known as **Trust No. 106703** ("Trustee"), **Cobblesquare Place Associates II**, as sole beneficiary of the Trust ("Landlord"), and **Pier 1 Imports (U.S.), Inc.**, a Delaware corporation, successor-in-interest to **Pier 1 Imports - Midwest, Inc.**, a Delaware corporation, having its principal office located at 301 Commerce Street, Suite 600, Fort Worth, Texas 76102 ("Tenant").

RECITALS

A. Landlord, through its agent, **Equity Residential Properties Management Corp.**, a Delaware corporation, successor-in-interest to **First Property Management Corp.**, an Illinois corporation, as agent, and Tenant entered into a Lease Agreement dated April 1, 1987, as modified by Letter Agreement dated December 4, 1991 (collectively, the "Lease"), covering certain premises (the "Premises") located at 1350 North Wells Street, Chicago, Illinois, **Pier 1 Imports Store #023**, in the **Cobbler Square 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 and Security Agreement dated July 30, 1999 (the "Mortgage") recorded as Document No. 99736619 in the Recorder's Office of Cook County, County of Cook, State of Illinois, which secures a note now payable to Mortgagee and the lien of which encumbers all or part of the Premises.

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

BOX 333-CTT

Sales
Julie Garcia
A00184853

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

1. The parties hereby incorporate the above recitals into this Agreement and further affirm that such recitals are true and correct.

2. 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.

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, 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.

4. 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.

5. 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

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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.

6. Notwithstanding the foregoing, if Mortgagee succeeds to the interest of Landlord under the Lease, Mortgagee shall not be:

- a. liable for any act or omission of any prior landlord (including Landlord) except to the extent such act or omission constitutes a default under the Lease that is continuing after Mortgagee takes title to and possession of the Premises; or
- b. subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord) except for offsets and defenses arising from Tenant's self-help rights under the Lease; or
- c. bound by any rent or additional rent which Tenant might have paid for more than one (1) month in advance to any prior landlord (including Landlord); or
- d. bound by any amendment or modification of the Lease changing the Lease term or Tenant's monetary obligations made hereafter without Mortgagee's written consent.

7. Tenant agrees to concurrently give Mortgagee a copy of any notice of default served upon Landlord at the following address:

Bank Leumi USA
100 North LaSalle Street
Chicago, Illinois 60602
Attention: Timothy Fossa
Telephone: 312-781-6840

or to such other address for which Tenant has been notified in writing by Mortgagee. Mortgagee shall have the same applicable notice and cure period as granted Landlord under the Lease to cure such default.

8. Trustee represents to Tenant that (a) Trustee holds fee simple title to the Premises, and (b) no joinder or approval of another person or entity is required with respect to Trustee's right and authority to enter into and execute this Agreement, other than the direction of Landlord.

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9. Landlord represents to Tenant that (a) Trustee holds fee simple title to the Premises, and (b) no joinder or approval of another person or entity is required with respect to Landlord's right and authority to enter into and execute this Agreement.

10. Landlord further represents to Tenant that:

a. Equity Residential Properties Management Corp., a Delaware corporation, is Landlord's authorized agent and has full authority to act on Landlord's behalf, including, but not limited to, executing Lease modifications and amendments, receiving rent, receiving notices and other communications required to be sent to Landlord under the Lease, and changing the address for notices and rent payments.

b. any notice, approval, consent, response or communication required to be given to Landlord under the terms of the Lease unless otherwise directed to Tenant in writing shall be sent to the following address:

Equity Residential Properties Management Corp.
c/o Alec Brackenridge
2 North Riverside Plaza, 4th Floor
Chicago, Illinois 60606

with a copy to:

Shelley L. Dunck
Associate General Counsel
Equity Residential Properties Trust
2 North Riverside Plaza, 4th Floor
Chicago, Illinois 60606

c. all Fixed Rent, real estate taxes and CAM Charges payable by Tenant to Landlord under the Lease unless otherwise directed to Tenant in writing shall be made payable to **Cobbler Square** and sent to the following address:

c/o Cobbler Square Management Office
1350 N. Wells Street
Chicago, Illinois 60610

11. 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

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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.

12. This Agreement is executed by Trustee, not personally, but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee, and no personal liability shall be asserted or be enforceable against said Trustee because or in respect of this Agreement or the making, issue or transfer thereof, all such liability, if any, being expressly waived by Mortgagee. It is expressly understood and agreed, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, covenants, undertakings and agreements herein made on the part of Trustee, while in form purporting to be the representations, warranties, covenants, undertakings and agreements of Trustee, are nevertheless, each and every one of them made and intended not as personal representations, warranties, covenants, undertakings and agreements by Trustee for the purpose or with the intention of binding Trustee personally, but are made and intended for the purpose of binding only that portion of the Trust property specifically described in Exhibit A, and this instrument is executed and delivered by Trustee, not in its own right, but solely in the execution of the powers conferred upon it as Trustee.

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:

Bank Leumi USA,
a banking corporation

WITNESS:

Cathy Branigan

Date: 2-1-00

By: [Signature]

Name: Timothy Egosa

Title: Vice President

TRUSTEE:

LaSalle Bank National Association, successor trustee to LaSalle National Bank, not personally, but solely as Trustee under Trust Agreement dated July 13, 1983, and known as Trust No. 106703

WITNESS:

Melissa Robinson

Date: 2-17-00

By: [Signature]

Name: Deborah Berg

Title: ASSISTANT VICE PRESIDENT

(Signatures continued on next page)

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LANDLORD:

Cobblesquare Place Associates II,
an Illinois limited partnership

WITNESS:

By: Cobbler Square Development, Inc., an
Illinois corporation, its general partner

Barbara Shih

Date: 1/31/00

By: Sheli Z. Rosenberg
Name: Sheli Z. Rosenberg
Title: President

TENANT:

Pier 1 Imports (U.S.), Inc.,
a Delaware corporation

WITNESS:

Rodney Lawrence

Date: 1-20-00

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

(Acknowledgements on next page)

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LANDLORD:

Cobblesquare Place Associates II,
an Illinois limited partnership

WITNESS:

By: Cobbler Square Development, Inc., an
Illinois corporation, its general partner

Date: _____

By: _____
Name: _____
Title: _____

TENANT:

Pier 1 Imports (U.S.), Inc.,
a Delaware corporation

WITNESS:

Rosiel D. Drucor
Date: 1-20-00

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

(Acknowledgements on next page)

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EXHIBIT A

Legal Description

PARCEL 1:

THAT PART OF LOTS 172, 173, AND 176 TO 181 INCLUSIVE, IN BRONSON'S ADDITION TO CHICAGO IN THE NORTH EAST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL TAKEN AS A TRACT BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH EAST CORNER OF LOT 72 IN OGDEN'S SUBDIVISION OF LOTS 142 TO 151, 154 TO 156, 163 TO 165, 168 TO 173, 176, 178 TO 183 IN THE AFORESAID BRONSON'S ADDITION; THENCE WEST 85.85 FEET ALONG THE SOUTH LINE OF SAID LOT 72, BEING ALSO THE NORTH LINE OF WEST EVERGREEN STREET; THENCE NORTH 116.17 FEET PARALLEL WITH THE WEST LINE OF NORTH WELLS STREET, BEING THE EAST LINE OF LOTS 1 AND 2 IN THE ASSESSOR'S DIVISION OF LOT 127 IN THE AFORESAID BRONSON'S ADDITION TO CHICAGO, THE EAST LINE OF LOTS 60 TO 64 INCLUSIVE AND THE EAST LINE OF LOTS 69 TO 72 INCLUSIVE IN THE AFORESAID OGDEN'S SUBDIVISION; THENCE WEST 18.91 FEET PERPENDICULAR TO THE LAST DESCRIBED LINE; THENCE NORTH 51.06 FEET ALONG A LINE DRAWN 104.76 FEET WEST OF AND PARALLEL WITH SAID WEST LINE OF NORTH WELLS STREET; THENCE EAST 23.18 FEET PERPENDICULAR TO THE LAST DESCRIBED LINE; THENCE NORTH 109.44 FEET ALONG A LINE 81.58 FEET WEST OF AND PARALLEL WITH SAID WEST LINE OF NORTH WELLS STREET; THENCE WEST 38.29 FEET PERPENDICULAR TO THE LAST DESCRIBED LINE; THENCE NORTH 23.33 FEET ALONG A LINE PARALLEL WITH SAID WEST LINE OF NORTH WELLS STREET TO A POINT ON THE NORTH LINE OF LOT 3 IN THE AFORESAID ASSESSOR'S DIVISION, SAID POINT BEING 119.87 FEET WEST OF THE NORTH EAST CORNER OF LOT 1 IN SAID ASSESSOR'S DIVISION; THENCE EAST 119.87 FEET ALONG THE NORTH LINE OF SAID LOTS 3 AND 1, BEING ALSO THE SOUTH LINE OF WEST SCHILLER STREET, TO THE NORTH EAST CORNER OF SAID LOT 1; THENCE SOUTH 299.97 FEET ALONG THE AFORESAID WEST LINE OF NORTH WELLS STREET TO THE HEREINABOVE DESIGNATED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

PARCEL 2:

EASEMENTS FOR THE BENEFIT OF PARCEL 1 AS SET FORTH IN DECLARATION, GRANT OF AGREEMENT OF MUTUAL EASEMENTS RECORDED OCTOBER 5, 1983 AS DOCUMENT 26807428, FOR INGRESS AND EGRESS AND FOR SUCH PURPOSES AS DESCRIBED THEREIN

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