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Cook County Recorder

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SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT



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THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (the "Agreement") is made as of the 14th day of February, 2000 by and between CIB Bank, having an address at 333 Quadrangle Drive, Bolingbrook, Illinois 60440 ("Lender") and The Cerplex Group, Inc. (f/k/a Aurora Electronics, Inc., f/k/a BSN Corp.) having an address at 111 Pacifica Avenue, Suite 300, Irvine CA 92618 ("Tenant").

A. Lender is the present owner and holder of a certain mortgage and security agreement (the "Security Instrument") dated February 28, 2000, given by Landlord (defined below) to Lender which encumbers the fee estate of Landlord in certain premises described in Exhibit A attached hereto (the "Property") and which secures the payment of certain indebtedness owed by Landlord to Lender evidenced by a certain promissory note dated February 28, 2000, given by Landlord to Lender (the "Note");

B. Tenant is the holder of a leasehold estate in a portion of the Property under and pursuant to the provisions of a certain lease dated July 14, 1988 between Bloomingdale Kaiser Building LLC, as landlord ("Landlord") by assignment, and Tenant as tenant (the "Lease"); and

C. Tenant has agreed to subordinate the Lease to the lien of the Security Instrument and Lender has agreed to grand non-disturbance to Tenant under the Lease on the terms and conditions hereinafter set forth.

AGREEMENT:

For good and valuable consideration, Tenant and Lender agree as follows:

1. SUBORDINATION. The Lease and all of the terms, covenants and provisions thereof and all rights, remedies and options of Tenant thereunder are and shall at all times continue to be subject and subordinate in all respects to the lien of the Security Instrument, including without limitation, all renewals, increases, modifications, spreaders, consolidations, replacements and extensions thereof and to all sums secured thereby and advances made thereunder with the same force and effect as if the lien of the Security Instrument had been executed, delivered and recorded prior to the execution and delivery of the Lease, provided the Tenant's rights and interest in the Property shall not be altered, diminished or modified. The Security Instrument shall not cover or be construed as subjecting in any manner to the lien thereof, any trade fixtures, equipment, signs or other personal property at any time furnished or installed by or for Tenant or its sublessees or licensees on the Property, nor shall Tenant be liable in any way with respect to the Security Instrument.

2. NON-DISTURBANCE. If any action or proceeding is commenced by Lender for the foreclosure of the Security Instrument or the sale of the Property, Tenant shall not be named as a party therein unless such joinder shall be required by law, provided, however, such joinder shall not result in the termination of the Lease or disturb the Tenant's possession or use of the premises demised thereunder, and Lender will not seek affirmative relief against Tenant, and the sale of the

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Property in any such action or proceeding and the exercise by Lender of any of its other rights under the Note or the Security Instrument shall be made subject to all rights of Tenant under the Lease, provided that at the time of the commencement of any such action or proceeding or at the time of any such sale or exercise of any such other rights (a) the term of the Lease shall have commenced pursuant to the provisions thereof, (b) the Lease shall be in full force and effect and (c) Tenant shall not be in material default under the Lease beyond any applicable cure period contained therein.

3. ATTORNNMENT. If Lender or any other subsequent purchaser of the Property shall become the owner of the Property by reason of the foreclosure of the Security Instrument or the acceptance of a deed or assignment in lieu of foreclosure or by reason of any other enforcement of the Security Instrument (Lender or such other purchaser being hereinafter referred as "Purchaser"), and the conditions set forth in Section 2 above have been met at the time Purchaser becomes owner of the Property, the Lease shall not be terminated or affected thereby but shall continue in full force and effect as a direct lease between Purchaser and Tenant upon all of the terms, covenants and conditions set forth in the Lease and in that event, Tenant agrees to attorn to Purchaser and Purchaser by virtue of such acquisition of the Property shall be deemed to have agreed to accept such attornment, provided, however, the Purchaser shall not be (a) liable for the failure of any prior landlord (any such prior landlord, including Landlord and any successor landlord, being hereinafter referred to as a "Prior Landlord") to perform any of its obligations under the Lease which have accrued prior to the date on which Purchaser shall become the owner of the Property, provided that the foregoing shall not limit Purchaser's obligation under the Lease to correct any conditions that (i) existed as of the date Purchaser shall become the owner of the Property and (ii) violate Purchaser's obligations as landlord under the Lease; provided further, however, that Purchaser shall have received written notice of such omissions, conditions or violations and has had a reasonable opportunity to cure the same, all pursuant to the terms and conditions of the Lease, (b) subject to any offsets, defenses, abatement or counterclaims which shall have accrued in favor of Tenant against any Prior Landlord prior to the date upon which Purchaser shall become the owner of the Property, (c) liable for the return of rental security deposits, if any, paid by Tenant to any Prior Landlord in accordance with the Lease unless such sums are actually received by Purchaser, (d) bound by any payment of rents, additional rents or other sums which Tenant may have paid more than one (1) month in advance to any Prior Landlord unless (i) such sums are actually received by Purchaser or (ii) such prepayment shall have been expressly approved of by Purchaser.

4. NOTICE TO TENANT. After notice is given to Tenant by Lender that the Landlord is in default under the Note and the Security Instrument and that the rentals under the Lease should be paid to Lender pursuant to the terms of the assignment of leases and rents executed and delivered by Landlord to Lender, in connection therewith, Tenant shall thereafter pay to Lender or as directed by Lender, all rentals and all other monies due or to become due to Landlord under the Lease, provided that Landlord, by signing this Agreement, expressly authorizes Tenant to make such payments when Tenant receives such notice and releases and discharges Tenant from any liability to Landlord on account of any such payments. Landlord hereby expressly authorizes Tenant to make such payments to Lender when Tenant receives such notice and hereby releases and discharges Tenant from any liability to Landlord on account of any such payments.

5. NOTICES. All notices or other written communications hereunder shall be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged by the recipient thereof and confirmed by telephone by sender, (ii) one (1) Business Day (hereinafter defined) after having been deposited for overnight delivery with any reputable overnight courier service, or (iii) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Tenant: The Cerplex Group, Inc.
111 Pacifica Avenue, Suite 300
Irvine, CA 92618
Attention: President
Facsimile No.: 949-585-0209

If to Lender: CIB Bank
333 Quadrangle Drive
Bolingbrook, Illinois 60440
Attention: Daniel Regan
Facsimile No.: 630-226-4225

or addressed as such party may from time to time designate by written notice to the other parties. For purposes of this Section 5, the term "business Day" shall mean a day on which commercial banks are not authorized or required by law to close in the state where the Property is located. Either party by notice to the other may designate additional or different addresses for subsequent notices or communications.

6. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and inure to the benefit of Lender, Purchaser, Landlord and Tenant and their respective successors and assigns.

7. GOVERNING LAW. This Agreement shall be deemed to be a contract entered into pursuant to the laws of the state where the Property is located and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State where the Property is located.

8. MISCELLANEOUS. This Agreement may not be modified in any manner or terminated except by an instrument in writing executed by the parties hereto. If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision. This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

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IN WITNESS WHEREOF, Lender and Tenant have duly executed this Agreement as of the date first above written.

LENDER:

CIB BANK

By: 

Name: Derrick A. Mars

Title: AVP

TENANT:

THE CERPLEX GROUP, INC.,
a Delaware corporation

By: 

Name: Richard Alston

Title: President and C.O.O.

The undersigned accepts and agrees to
the provision of Section 4 hereof:

LANDLORD:

BLOOMINGDALE KAISER BUILDING LLC,
an Illinois LLC

By: 

Name: WALTER KAISER

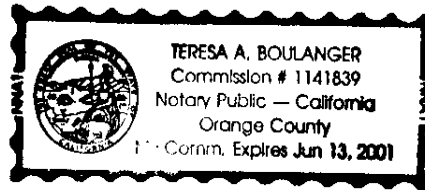
Title: MEMBER

STATE OF California)
COUNTY OF Orange)

On 2/28/00, before me, the undersigned, personally appeared Richard Alston, 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 capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Teresa A. Boulanger
Notary Public in and for said
County and State

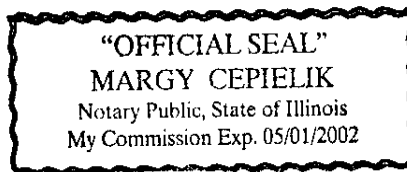


STATE OF Illinois)
COUNTY OF Cook)

On 3-2-00, before me, the undersigned, personally appeared DERRICK MARS, 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 capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Margy Cepielik
Notary Public in and for said
County and State



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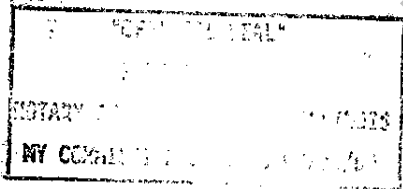
STATE OF ILLINOIS)
COUNTY OF COOK)

On 3/6/00, before me, the undersigned, personally appeared WALTER KAISER, 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 capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Alex J. Simon

Notary Public in and for said
County and State



Property of Cook County Clerk's Office

PARCEL A:**UNOFFICIAL COPY****00198752**SUB-PARCEL A1:

THE SOUTH 165.78 FEET OF LOT 4 (EXCEPT THE WEST 350 FEET) IN KEENEY INDUSTRIAL DISTRICT, BEING AN OWNERS DIVISION IN THE SOUTH EAST 1/4 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO PLAT THEREOF DATED DECEMBER 26, 1924 AND RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS JANUARY 8, 1925 AS DOCUMENT 8732302 AND FILED IN THE OFFICE OF THE REGISTRAR OF TITLES OF COOK COUNTY, ILLINOIS JANUARY 9, 1925 AS DOCUMENT LR241222;

ALSO

SUB-PARCEL A2:

THAT PART OF THE SOUTH 165.78 FEET OF LOT 2 LYING EAST OF THE EAST LINE OF LOT 4 AND WEST OF THE CENTER LINE OF A 50 FOOT PRIVATE STREET BEING DRAWN PARALLEL WITH AND 932.24 FEET EAST OF THE WEST LINE OF SAID LOT 4 IN KEENEY'S INDUSTRIAL DISTRICT AFORESAID;

PARCEL B:

THE SOUTH 165.78 FEET OF THE WEST 337 FEET OF LOT 4 IN KEENEY INDUSTRIAL DISTRICT, BEING AN OWNERS DIVISION IN THE SOUTH EAST 1/4 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF MADE UNDER DATE OF DECEMBER 26, 1924, BY CHICAGO GUARANTEE SURVEY COMPANY AND FILED FOR RECORD IN THE OFFICE OF THE REGISTRAR OF TITLE OF COOK COUNTY, ILLINOIS ON JANUARY 3, 1925 AS DOCUMENT LR241222; PARCEL C:

THE EAST 13 FEET OF THE WEST 350 FEET OF THE SOUTH 165.78 FEET OF LOT 4 IN KEENEY INDUSTRIAL DISTRICT, BEING AN OWNER'S DIVISION IN THE SOUTH EAST 1/4 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN;

PARCEL D:

A STRIP OF LAND IN THAT PART OF LOT 4 AND LOT 2 IN KEENEY INDUSTRIAL DISTRICT AN OWNER'S DIVISION IN THE SOUTH EAST 1/4 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE WEST LINE OF SAID LOT 4, SAID KEENEY INDUSTRIAL DISTRICT, 165.78 FEET NORTH OF THE SOUTHWEST CORNER OF SAID LOT 4 IN SAID KEENEY INDUSTRIAL DISTRICT, RUNNING THENCE EAST PARALLEL WITH THE SOUTH LINE OF SAID LOT 4 (SAID SOUTH LINE BEING ALSO THE NORTH LINE OF BLOOMINGDALE AVENUE), A DISTANCE OF 826.08 FEET TO ITS INTERSECTION WITH THE SOUTH LINE OF THE RIGHT OF WAY (AT POINT OF TANGENCY) CONVEYED TO CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY ON OCTOBER 4, 1932 BY DEED RECORDED NOVEMBER 9, 1932 AS DOCUMENT 11162537 AND FILED DECEMBER 27, 1932 AS DOCUMENT LR599299; THENCE NORTHWESTERLY ALONG THE SOUTHERLY LINE OF SAID RIGHT OF WAY, BEING A CURVED LINE CONVEXED SOUTHWESTERLY, THE LAST DESCRIBED COURSE BEING TANGENT THERETO AND HAVING A RADIUS OF 487.6 FEET A DISTANCE OF 132.9 FEET; THENCE WEST ON A LINE PARALLEL WITH AND 183.78 FEET NORTH OF THE SOUTH LINE OF LOT 4 AFORESAID, A DISTANCE OF 694.98 FEET TO ITS INTERSECTION WITH THE WEST LINE OF SAID LOT 4; THENCE SOUTH ON SAID WEST LINE 18 FEET TO THE POINT OF BEGINNING;

PARCEL E:

THAT PART OF LOTS 2, 3 AND 4 IN KEENEY INDUSTRIAL DISTRICT, BEING AN OWNER'S DIVISION IN THE SOUTH EAST 1/4 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF LOT 4, IN SAID KEENEY INDUSTRIAL DISTRICT, BEING THE EAST LINE OF NORTH MONITOR AVENUE, 183.78 FEET NORTH OF THE SOUTH LINE OF SAID LOT 4; THENCE NORTH ALONG THE EAST LINE OF NORTH MONITOR AVENUE, A DISTANCE OF 160 FEET; THENCE EAST ALONG A LINE DRAWN PARALLEL WITH AND 343.78 FEET NORTH OF THE SOUTH LINE OF SAID LOT 4, A DISTANCE OF 450.99 FEET TO ITS INTERSECTION WITH THE SOUTHERLY RIGHT OF WAY LINE OF THE LAND CONVEYED TO CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY BY DEED DATED OCTOBER 4, 1932 AND RECORDED NOVEMBER 9, 1932, AS DOCUMENT 11162537 AND FILED DECEMBER 27, 1932 AS DOCUMENT LR599299; THENCE SOUTH EASTERLY ALONG SAID RIGHT OF WAY LINE BEING A CURVED LINE CONVEXED SOUTH WESTERLY AND HAVING A RADIUS OF 487.60 FEET, A DISTANCE OF 297.58 FEET (ARC), TO ITS INTERSECTION WITH A LINE DRAWN PARALLEL WITH AND 183.78 FEET NORTH OF THE SOUTH LINE OF SAID LOT 4, BEING THE NORTH LINE OF RIGHT OF WAY CONVEYED TO THE TRUSTEES OF THE PROPERTY OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY BY DEED DATED AUGUST 2, 1940 AND FILED JUNE 5, 1941 AS DOCUMENT LR 899490; THENCE WEST ALONG SAID RIGHT OF WAY LINE, A DISTANCE OF 694.98 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS

PIN Nos. : 13-32-400-023-0000
13-32-400-025-0000
13-32-400-030-0000
13-32-400-036-0000

This document prepared by and
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