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Eugene "Gene" Moore Fee: \$40.00
Cook County Recorder of Deeds
Date: 04/01/2004 11:52 AM Pg: 1 of 9

This Document Prepared by
and after Recording Return to:

Much Shelist
2030 Main Street, Suite 1200
Irvine, California 92614
Attn: Glenn D. Taxman, Esq.

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement") is made as of March 30, 2004 (the "Effective Date"), by and between CHARTER ONE BANK, N.A., a national banking association ("Bank"), and HAWK ELECTRONICS, INC., an Illinois corporation ("Tenant").

RECITALS:

A. Tenant is now the lessee under a certain Net Lease dated March 26, 2004 (the "Lease") covering all or a portion of certain real property located at 511 Glenn Avenue, Wheeling, Illinois and legally described in Exhibit A ("Premises"), with COLE TAYLOR BANK, not personally, but solely as Trustee under Trust Agreement dated January 1, 1998, and known as Trust Number 98-7815, as landlord ("Landlord"), under the terms of the Lease;

B. Landlord and its beneficiaries, LISA-ILENE REAL ESTATE COMPANY, an Illinois corporation, and SUSAN JEAN CORPORATION, a Delaware corporation, has granted to Bank a Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing (the "Mortgage") and an Assignment of Leases and Rents (the "Assignment") each covering the Premises in order to secure certain sums to be loaned ("Loan") by Bank which Mortgage is dated the Effective Date and being filed for record with the Recorder of Cook County, Illinois; and

C. It is a condition precedent to obtaining advances under the Loan that the Mortgage shall be, and remain, a lien or charge upon the Premises hereinbefore described, prior and superior to the Lease, and the leasehold estate created thereby; and

D. Tenant desires to facilitate the making of the Loan by the Bank.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Bank and Tenant agree as follows:

1. Subordination. The Mortgage and Assignment and any renewals or extensions thereof, shall be and remain at all times a lien or charge on the Premises prior and superior to the Lease, the leasehold estate created thereby and to any options to lease or to purchase the Premises contained therein, and to all rights, privileges, and conditions therein contained. Tenant declares and acknowledges that it hereby intentionally waives, relinquishes, and subordinates the priority and superiority of the leasehold estate created by the Lease to the Mortgage and Assignment. All amendments, modifications, substitutions, renewals, extensions and replacements of the Lease shall be and remain so subordinated as provided in this paragraph without the necessity of any further act of the parties. Tenant also declares and acknowledges that it understands that in

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reliance upon and in consideration of this waiver, relinquishment, and subordination, specific loans and advances secured by the Mortgage and Assignment will be made, and monetary and other obligations will be entered into by third parties which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.

2. Non-Disturbance. Bank shall not, in the exercise of any right, remedy or privilege granted by the Mortgage or the Assignment, or otherwise available to Bank at law or in equity, disturb Tenant's possession under the Lease or interfere with any of the rights of Tenant under the Lease so long as Tenant is not in default under any provision of the Lease. Nothing contained in this Paragraph 2, however, shall be construed to limit or prevent Bank in or from exercising any of its rights hereunder, at law, or in equity in connection with any breach by Tenant of its or his obligations under the provisions of this Agreement.

3. Attornment.

(a) Tenant shall, upon written notice from Bank or Landlord, attorn (i) to Bank, (ii) to any receiver or similar official for the Premises appointed at the instance, upon the request or with the consent of Bank, (iii) to Bank upon any acquisition by Bank of the Premises and Landlord's interest in the Lease, and (iv) to any person or entity who acquires the Premises and the Landlord's interest in the Lease pursuant to Bank's exercise of any right, remedy, or privilege granted by the Mortgage or the Assignment, or otherwise available at law or in equity. Without limiting the generality of the foregoing, Tenant shall attorn to any person or entity that acquires the Premises pursuant to foreclosure under the Mortgage, or by any proceeding or voluntary conveyance in lieu of such foreclosure, or from Bank, whether by sale, exchange, or otherwise.

(b) Upon any attornment under this Paragraph 3, the Lease shall continue in full force and effect as a direct lease between Tenant and the person or entity to whom Tenant attorns, in accordance with the foregoing subparagraph and any such person or entity to whom Tenant attorns shall not be: (i) liable for any breach, act or omission of any prior landlord; (ii) subject to any claims or to any defenses which Tenant might have against any prior landlord; (iii) bound by any rent, additional rent or other payment in lieu of rent which Tenant might have paid to any prior landlord more than one (1) month in advance of its due date under the Lease; (iv) bound by any amendment or modification of the Lease, made without Bank's prior written consent; (v) bound by any election or exercise of any option to purchase by Tenant unless (A) Tenant delivers to Bank written notice thereof and (B) the sales proceeds of such purchase would be sufficient to pay in full all sums then due and outstanding on the Loan; (vi) bound by any notice of default given by Tenant to Landlord, whether or not such notice is given pursuant to the terms of the Lease, unless a copy thereof was then also given to Bank; or (vii) be liable for the return of any security deposit or other sums held by any prior landlord, unless actually received.

(c) Bank and any other person or entity to whom Tenant attorns shall be liable to Tenant under the Lease only to the extent provided therein and only for liabilities which occur during such person's or entity's period of ownership of the Premises.

4. Rents. The Assignment provides for the direct payment to Bank of all rents and other monies due and to become due to Landlord under the Lease (collectively, "**Rents**"), but grants a license to Landlord to receive the Rents unless such license is revoked upon the occurrence of certain conditions as set forth in the Assignment, without Lender's taking possession of the Premises or otherwise assuming Landlord's obligations under the Lease. After an Event of Default (as defined in the Mortgage), upon receipt from Bank of written notice to pay Rents to or at the direction of Bank, Tenant shall make all such payments to or at the direction of Bank. Upon receipt of such notice, Tenant thereafter shall pay all Rents then due and becoming due from Tenant under the Lease, to or at the direction of Bank. Tenant agrees that Bank's demanding and/or receiving any such payments shall not operate to impose any liability upon Bank for performance of any obligation of Landlord under the Lease. Such payment of Rents to Bank shall continue until Bank directs Tenant otherwise in writing, or until Tenant receives (i) a court order directing Tenant to pay Rents to another person or entity, or (ii) notice that the Premises have been sold to a person or entity other than Bank. The provisions of this

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Paragraph 4 will terminate upon the earliest to occur of (a) termination of the Lease, (b) the recording of a release of the Assignment, duly executed by Bank, or (c) Tenant's receipt of written notice to such effect from Bank.

5. Waste; Damage to Premises. Tenant agrees that anything to the contrary appearing in said Lease notwithstanding, the Bank shall in no event be liable for any waste permitted on the Premises by the Landlord or any tenant or be liable by reason of any damage to or defective condition of the Premises resulting in loss or injury to Tenant nor be liable for any other default, act or omission of the Landlord arising or accruing prior to the date when the Bank acquires title to the Premises, nor shall the Bank be subjected to any claim, or cause of action, or to any set off or credit or defense against rentals accruing after the Bank acquires such title, for any default, act or omission by the Landlord which arose or accrued prior to the date when the Bank acquired title.

6. Insurance Proceeds. Tenant agrees that, notwithstanding any provision of the Lease to the contrary, the terms of the Mortgage shall govern with respect to the disposition of any insurance proceeds or eminent domain awards. This section shall be effective so long as Lender or any future holder of the Mortgage shall have an interest in the Premises, whether as lender or owner.

7. Integrated Agreement. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties or their successors and permitted assigns.

8. Notices. Except for any notice required under applicable law to be given in another manner, any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given (i) if hand delivered or if sent by telecopy, effective upon receipt, or (ii) if delivered by overnight courier service, effective on the day following delivery to such courier service, or (iii) if mailed by United States registered or certified mail, postage prepaid, return receipt requested, effective two (2) days after deposit in the United States mails; addressed in each case as follows:

If to Bank: Charter One Bank, N.A.
1215 Superior Avenue
Cleveland, Ohio 44114
Attn: Commercial Loan Servicing Department

And

Charter One Bank
100 Addison Avenue, 2nd Floor
Elmhurst, Illinois 60126
Attn: John J. Dvorak

With a copy to: Much Shelist
191 North Wacker Drive, Suite 1800
Chicago, Illinois 60606
Attn: Don S. Hershman, Esq.

If to Tenant: Hawk Electronics, Inc.
511 Glenn Avenue
Wheeling, Illinois 60090
Attention: Charles Poncher

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With copy to: Kelley Drye & Warren LLP
 333 West Wacker Drive, Suite 2600
 Chicago, Illinois 60606
 Attention: Susan Greenspon

or at such other address or to such other addressee as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

9. Assignability. The Bank shall have the right to assign this Agreement to the purchaser upon any foreclosure sale of the Premises or to any purchaser of its rights under the promissory note and the Mortgage securing the same.

10. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all such counterparts shall constitute one and the same instrument.

12. Severability. A determination that any provision of this Agreement is unenforceable or invalid shall not affect this enforceability or validity of any other provision, except to the extent such provisions are expressly inter-dependent. The parties agree that Paragraphs 1 and 2 above are interdependent. Any determination that the application of any provision of this Agreement to any person or to particular circumstances is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

TENANT HEREBY, AND BANK BY ITS ACCEPTANCE HEREOF, EACH WAIVES THE RIGHT OF A JURY TRIAL IN EACH AND EVERY ACTION ON THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS, IT BEING ACKNOWLEDGED AND AGREED THAT ANY ISSUES OF FACT IN ANY SUCH ACTION ARE MORE APPROPRIATELY DETERMINED BY A JUDGE SITTING WITHOUT A JURY; FURTHER TENANT HEREBY CONSENTS AND SUBJECTS ITSELF TO THE JURISDICTION OF COURTS OF THE STATE OF ILLINOIS AND, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, TO THE VENUE OF SUCH COURTS IN THE COUNTY IN WHICH THE PREMISES IS LOCATED.

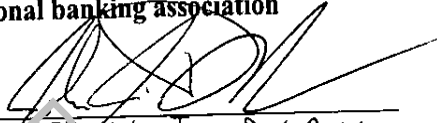
[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties have executed this SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT as of the Effective Date.

BANK:

CHARTER ONE BANK, N.A.,
A national banking association

By: 
Name: JOAN J. DVORAK
Title: VICE-PRESIDENT

TENANT:

HAWK ELECTRONICS, INC.,
an Illinois corporation

By: _____
Charles Poncher, President

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IN WITNESS WHEREOF, the parties have executed this SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT as of the Effective Date.

BANK:

**CHARTER ONE BANK, N.A.,
A national banking association**

By: _____
Name: _____
Title: _____

TENANT:

**HAWK ELECTRONICS, INC.,
an Illinois corporation**

By: *Charles Poncher*
~~Charles Poncher, President~~
Kenneth

Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
)
COUNTY OF Cook) ss

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that JOHN J. DVORAK, a VICE PRESIDENT of **CHARTER ONE BANK, N.A.**, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said bank for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, as of March 24, 2004.



Maria Garcia
NOTARY PUBLIC

(SEAL)

STATE OF ILLINOIS)
)
COUNTY OF _____) ss

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that **Charles Poncher**, the President of **HAWK ELECTRONICS, INC.**, an Illinois corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, as of _____, 2004.

NOTARY PUBLIC

(SEAL)

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STATE OF ILLINOIS)
) ss
COUNTY OF _____)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, a _____ of CHARTER ONE BANK, N.A., who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said bank for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, as of _____, 2004.

NOTARY PUBLIC

(SEAL)

STATE OF ILLINOIS)
) ss
COUNTY OF _____)

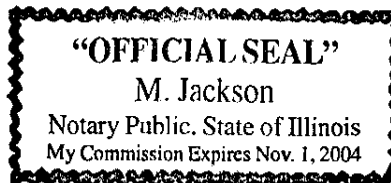
KENNETH I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that ~~Charles~~ Poncher, the President of HAWK ELECTRONICS, INC. an Illinois corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, as of MARCH 25, 2004.

[Signature]

NOTARY PUBLIC

(SEAL)



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EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

PARCEL 1:

LOTS 39 AND 40 IN PALWAUKEE BUSINESS CENTER UNIT TWO, BEING A SUBDIVISION IN THE SOUTH EAST 1/4 OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 67 AND 68 IN PALWAUKEE BUSINESS CENTER UNIT THREE, BEING A SUBDIVISION IN THE SOUTH EAST 1/4 OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 1, 2, AND 3 IN BLOCK 5 IN AMERLINE SUBDIVISION OF PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Address: 511 Glenn Avenue, Wheeling, Illinois 60090

P.I.N.(s): 03-11-303-026; 03-11-410-001; 03-11-410-002;
03-11-410-013 and 03-11-410-014