

# UNOFFICIAL COPY



Doc#: 0431533048  
Eugene "Gene" Moore Fee: \$52.00  
Cook County Recorder of Deeds  
Date: 11/10/2004 07:34 AM Pg: 1 of 15

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4074

(This Space for Recording Use Only)

**THIS DOCUMENT SHOULD BE RETURNED TO AFTER RECORDING:**

**WALGREEN CO.**  
200 Wilmot Road, MS 2252  
Deerfield, Illinois 60015

Attn \_\_\_\_\_  
Law Department

Store # 7630/ \_\_\_\_\_

## **SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT**

**THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT** made in multiple copies as of the 7<sup>th</sup> day of November, 2004, by and between **THE PRUDENTIAL INSURANCE COMPANY OF AMERICA**, a New Jersey corporation ("Mortgagee"), **STATE-WALTON, LLC**, an Illinois limited liability company ("Landlord") and **WALGREEN CO.**, an Illinois corporation ("Tenant");

### **WITNESSETH:**

**WHEREAS**, Mortgagee is the holder of a Note in the original principal amount of \$5,300,000.00, secured by a Leasehold Mortgage and Security Agreement ("Mortgage") dated November 5, 2004, recorded on November 10, 2004, as Instrument No. 0431533045 in the Official Records of Cook County, State of Illinois, covering the property legally described on Exhibit "A" attached hereto and made a part hereof;

**WHEREAS**, by Lease dated February 25, 2003, as evidenced by Memorandum of Lease dated February 25, 2003 recorded as Instrument No. 0311311129 on April 23, 2003 in aforesaid records, Landlord, as landlord, ground leased to Tenant,

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as tenant, the property, of the northeast corner of State Street and Walton Street in the City of Chicago, State of Illinois, legally described on Exhibit "A" ("Leased Premises");

**WHEREAS**, Mortgagee, Tenant and Landlord desire to confirm their understanding with respect to said Lease and said Mortgage;

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and promises contained herein and other good and valuable consideration, the parties agree as follows:

1. Subject to the covenants, terms and conditions of this Agreement, the lien of said Lease is hereby subordinated to the lien of said Mortgage. If there shall be a conflict between the terms of said Lease and the terms of said Mortgage, the terms of said Lease shall prevail.
2. In the event Mortgagee or any other party (collectively "Successor Landlord") acquires title or right of possession of the Leased Premises under said Mortgage through foreclosure, or otherwise, said Lease shall remain in full force and effect and Tenant shall continue occupancy of the Leased Premises in accordance with the terms and provisions of said Lease. In such event, during the period that it holds title to or possession of the Leased Premises, Successor Landlord shall be in all respects bound by said Lease as Landlord and by all of Tenant's rights thereunder. Successor Landlord's remedies pursuant to the Lease will be in full force and effect once Successor Landlord succeeds to the interest of Landlord under the Lease and once Successor Landlord is bound by all of the terms and conditions of said Lease.
3. So long as Successor Landlord shall be bound by the terms and conditions of said Lease, Tenant shall attorn to Successor Landlord when Successor Landlord is in possession of the Leased Premises, whether such possession is pursuant to Mortgagee's rights under said Mortgage (which such attornment shall be effective and self operative without the execution of any further instrument on the part of any of the parties hereto), or otherwise, and will continue occupancy of the Leased Premises under the same terms and conditions of said Lease.
4. Mortgagee shall not include Tenant in any foreclosure proceeding involving the Leased Premises, unless required by applicable state law for Mortgagee to accomplish the foreclosure and then not to interfere with or diminish Tenant's rights under said Lease or disturb Tenant's possession.

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5. In the event that Successor Landlord succeeds to the interest of Landlord under such Lease, Successor Landlord shall not be:

a). Liable for any act or omission of any prior landlord (including Landlord) or subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord), except for any defaults or remedies of which Tenant has notified Mortgagee prior to Successor Landlord becoming bound by the Lease in accordance with paragraph 2. Successor Landlord will not be held liable for any consequential damages for defaults of any prior Landlord; or

b). Bound by any payment of any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord (including Landlord); or

c). Bound by any amendment or modification of the Lease made without Mortgagee's written consent.

6. During the continuance of said Mortgage, Tenant shall use reasonable efforts to give written notice to Mortgagee of all defaults by Landlord of those obligations under said Lease which are of a nature as to give Tenant a right to terminate said Lease, reduce rent, or to credit or offset any amounts against future rents, and Mortgagee shall have the same opportunity as provided to Landlord in said Lease (but shall not be required) to cure the same. In any event (except as otherwise provided in the next sentence of this paragraph), Tenant's failure to provide Mortgagee such written notice shall not impair any rights granted or derived by Tenant under said Lease and/or this Agreement. In no event shall Tenant terminate the Lease as a result of any breach or default of the Lease unless Tenant has provided Mortgagee notice and afforded the Mortgagee the same opportunity to cure such breach or default as provided to Landlord in said Lease; provided, however, that Mortgagee shall not be obligated to remedy or cure any default of Landlord under the Lease.

7. Tenant hereby agrees that upon receipt of written notice from Mortgagee of a default by Landlord under said Mortgage, all checks for rent and other sums payable by Tenant under said Lease to Landlord shall, from the date of Tenant's receipt of such written notice, be delivered to and drawn to the exclusive order of Mortgagee until Mortgagee or a court of competent jurisdiction shall direct otherwise. Such an assignment of rent shall not relieve Landlord of any of its obligations under said Lease and shall not modify or diminish any rights granted to Tenant

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by said Lease or this Agreement, including but not limited to, any rights contained in said Lease which allow Tenant the right of so-called self help, offsets or deductions in the event of default or otherwise. Landlord hereby consents and agrees to the provisions of this paragraph and hereby authorizes Tenant to direct all rental and other payments under said Lease as provided by this paragraph. Landlord hereby relieves Tenant from any liability by reason of Tenant's payment of any sums under said Lease as required by this paragraph. Tenant shall have no obligation to verify the existence of any such default stated in the notice from Mortgagee under this paragraph.

8. (a) Subject to the terms of (b) below, Tenant agrees that the covenants of Landlord in Article 8 of the Lease shall not be binding upon land owned by Successor Landlord that acquires the interest of Landlord in the Leased Premises through foreclosure of the Mortgage or a deed in lieu thereof, (provided that Successor Landlord owned or mortgaged such land prior to the date that it acquires the interest of Landlord in the Leased Premises), but shall apply to any subsequent purchaser or transferee that is not an affiliate or subsidiary of Successor Landlord.

(b) Upon Successor Landlord's acquisition of Landlord's interest, during the period that it holds title to the Leased Premises, Successor Landlord will not execute any agreement that violates the restrictions set forth in Article 8 of the Lease or agree to any modification of a then existing agreement which extends the right of any third party to operate in a manner inconsistent with the restrictions set forth in Article 8 of the Lease.

9. In the event Successor Landlord acquires title or right of possession of the Leased Premises, Tenant acknowledges and agrees that the liability of such Successor Landlord under the Lease shall be limited to its interest in the property described on Exhibit "A" and the rents, income and profits therefrom. Notwithstanding anything herein to the contrary, Tenant shall have all of its equitable remedies against Successor Landlord. Nothing contained herein shall otherwise limit Tenant's rights or remedies as provided in the Lease.

10. All notices under this Agreement shall be deemed to have been duly given if made in writing and sent by United States certified or registered mail, postage prepaid, or by overnight delivery service providing proof of receipt, and addressed as follows:

If to Mortgagee:       The Prudential Insurance Company of America  
                                  Prudential Asset Resources

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2200 Ross Avenue, Suite 4900E  
Dallas, Texas 75201  
Attention: Asset Management Department  
Reference: Loan Number 6 105 294

If to Tenant: Walgreen Co.  
200 Wilmot Road  
Deerfield, Illinois 60015 MS 2252  
Attention: Law Department

If to Landlord: State-Walton, LLC  
920 York #300  
Hinsdale, Illinois 60521  
Attention: Jamie J. Javors

provided that each party by like notice may designate any future or different addresses to which subsequent notices shall be sent. Notices shall be deemed given upon receipt or upon refusal to accept delivery.

11. Tenant agrees that the right of first refusal shall not apply to Successor Landlord through a foreclosure, deed-in-lieu of foreclosure or any other enforcement action under the Mortgage; provided, however, such right of first refusal shall apply to subsequent purchasers of the Leased Premises. It is the express intention of Landlord and Tenant that the acquisition by either party of the right, title, interest and estate of the other party in and to the Leased Premises shall not result in termination or cancellation of the Lease by operation of the principle of merger of estates or otherwise, notwithstanding any applicable law to the contrary; *provided, however*, that in the event Tenant acquires the right, title, interest and estate of Landlord in and to the Leased Premises, whether pursuant to any purchase option or right of first refusal granted in the Lease or otherwise, if either (i) the indebtedness secured by the Mortgage is satisfied or (ii) Tenant assumes the indebtedness secured by the Mortgage (on a recourse basis), then in such event the estates of Landlord and Tenant in and to the Leased Premises shall merge and the Lease will be extinguished. In the event Tenant assumes the indebtedness secured by the Mortgage and if Tenant is a Walgreen Co. subsidiary a guarantee by Walgreen Co. will be entered into for the indebtedness.

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12. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature and acknowledgment of, or on behalf of, each party, or that the signature and acknowledgment of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures and acknowledgment of, or on behalf of, each of the parties hereto. Any signature and acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures and acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature and acknowledgment pages.

13. This Agreement shall also bind and benefit the heirs, legal representatives, successors and assigns of the respective parties hereto, and all covenants, conditions and agreements herein contained shall be construed as running with the land.

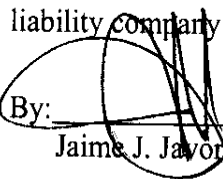
**IN WITNESS WHEREOF**, the parties hereto have executed and delivered this Agreement, under seal, as of the day and year first above written.

**(Signature Pages to follow)**

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LANDLORD:

STATE-WALTON, LLC, an Illinois limited liability company

By:  (SEAL)  
Jaime J. Javors, its Manager

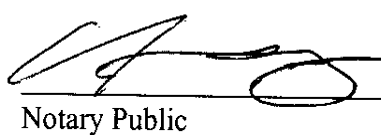
State of ILLINOIS

County of DuPAGE

I, the undersigned, a Notary Public, do hereby certify that Jaime J. Javors, personally known to me to be the Manager of STATE-WALTON, LLC, an Illinois limited liability company, whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

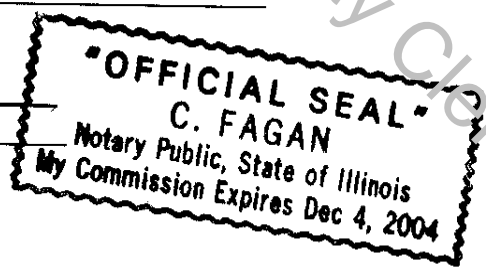
Given under my hand and official seal, this 5<sup>th</sup> day of November, 2004.

My Commission expires: \_\_\_\_\_



Notary Public

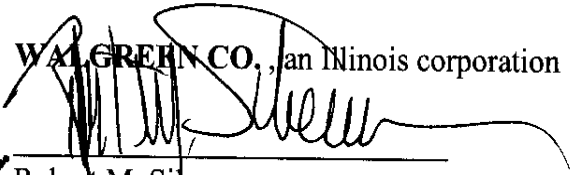
[SEAL]



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TENANT:

WALGREEN CO., an Illinois corporation



Robert M. Silverman  
Divisional Vice President

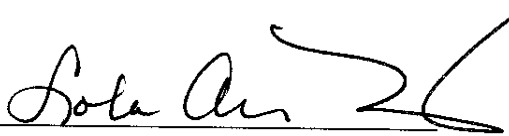
State of IL

County of Lake

I, the undersigned, a Notary Public, do hereby certify that Robert M. Silverman, personally known to me to be the Divisional Vice President of WALGREEN CO., an Illinois corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 20 day of September, 2004.

My Commission expires: 5-5-08



Notary Public

[SEAL]

(Signature Pages to follow)

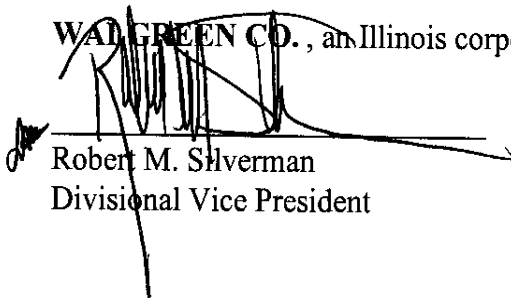




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TENANT:

WALGREEN CO., an Illinois corporation



Robert M. Silverman  
Divisional Vice President

State of IL

County of Lake

I, the undersigned, a Notary Public, do hereby certify that Robert M. Silverman, personally known to me to be the Divisional Vice President of WALGREEN CO., an Illinois corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

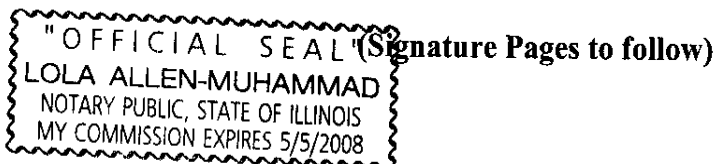
Given under my hand and official seal, this 20 day of September 2004.

My Commission expires: 5-5-08



Notary Public

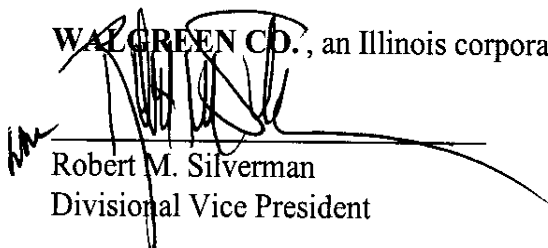
[SEAL]



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TENANT:

WALGREEN CO., an Illinois corporation



Robert M. Silverman  
Divisional Vice President

State of IL

County of Lake

I, the undersigned, a Notary Public, do hereby certify that Robert M. Silverman, personally known to me to be the Divisional Vice President of WALGREEN CO., an Illinois corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

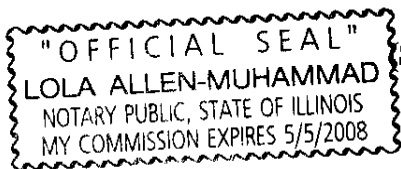
Given under my hand and official seal, this 20 day of September, 2004.

My Commission expires: 5-5-08



Notary Public

[SEAL]



(Signature Pages to follow)

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MORTGAGEE:

**THE PRUDENTIAL INSURANCE OF AMERICA**, a New Jersey corporation

By: *Christine Haskins*  
Name: *Christine Haskins*  
Title: Vice President

[CORPORATE SEAL]

State of Illinois

County of Cook

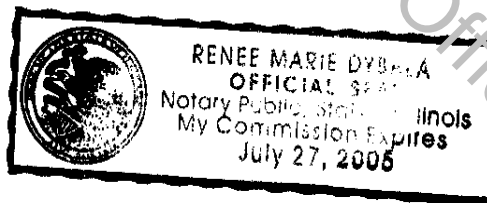
I, the undersigned, a Notary Public, do hereby certify that *Christine Haskins*, personally known to me to be the Vice President of THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he (she or they) signed and delivered the said instrument as his (her or their) free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 29 day of October, 2004.

My Commission expires: July 27, 2005

*Renee Marie Dybala*  
Notary Public

[SEAL]



(Signature Page to follow)

# UNOFFICIAL COPY

MORTGAGEE:

**THE PRUDENTIAL INSURANCE OF AMERICA**, a New Jersey corporation

By: Christine Haskins  
Name: Christine Haskins  
Title: Vice President

[CORPORATE SEAL]

State of Illinois

County of COOK

I, the undersigned, a Notary Public, do hereby certify that Christine Haskins, personally known to me to be the Vice President of THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he (she or they) signed and delivered the said instrument as his (her or their) free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 29 day of October, 2004.

My Commission expires: July 27, 2005

Renee Marie Dybala  
Notary Public

[SEAL]



(Signature Page to follow)

# UNOFFICIAL COPY

MORTGAGEE:

**THE PRUDENTIAL INSURANCE OF AMERICA**, a New Jersey corporation

By: *Christine Haskins*  
Name: *Christine Haskins*  
Title: Vice President

[CORPORATE SEAL]

State of ILLINOIS

County of COOK

I, the undersigned, a Notary Public, do hereby certify that *Christine Haskins* personally known to me to be the Vice President of THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation, whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he (she or they) signed and delivered the said instrument as his (her or their) free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this *29* day of *October*, 2004.

My Commission expires: *July 27, 2005*

*Renee Marie Dybala*  
Notary Public



[SEAL]

(Signature Page to follow)

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## Exhibit A

### LEGAL DESCRIPTION OF LAND

Lots 1, 2 and 3 (except the South 40.20 feet of the East 27.33 feet thereof) in the subdivision of the South half of Block 9 in Canal Trustee's Subdivision of the fractional quarter of Section 3, Township 39 North, also:

Lots 4 and 5 in the subdivision of the North half of Block 9 in Canal Trustee's Subdivision of the fractional quarter of Section 3, Township 39 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois.

Permanent index numbers:

17-03-206-002-0000

17-03-206-003-0000

17-03-206-004-0000

17-03-206-005-0000

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Exhibit B

## PERMITTED ENCUMBRANCES

1. Taxes for 2004 and subsequent years, which are not yet due and payable.
2. Encroachment by the 2 story brick building located on Lot 1 of the Property over and upon the public alley north and adjoining by approximately 0.25 fee, as shown on Plat of Survey prepared by Craig R. Knoche & Associates Civil Engineers, P.C., 4-060 dated September 21, and redated October 28, 2004.

Property of Cook County Clerk's Office

Prudential Loan No. 6 105 294  
State-Walton, LLC(mortgage)

AT1 32192078.2 / 28227-000483