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Doc#: 0615344112 Fee: \$48.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 06/02/2006 02:31 PM Pg: 1 of 13

(This Space for Recording Use Only)

THIS DOCUMENT SHOULD BE RETURNED TO AFTER RECORDING:

WALGREEN CO.
104 Wilmot Road, MS 2252
Deerfield, Illinois 60015
Attn: Lola Muhammad
Real Estate Law Department
Walgreens Store #2300

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

PIN# 25-17-230-071-0000

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT made in multiple copies as of the 21st day of March, 2006, by and between UBS REAL ESTATE INVESTMENTS INC., a Delaware corporation ("Mortgagee"), NOVOGRODER/FRANKLIN & HALSTED, LLC, an Illinois limited liability company, (collectively, "Landlord") and BOND DRUG COMPANY OF ILLINOIS, LLC, an an Illinois limited liability company ("Tenant");

WITNESSETH:

WHEREAS, Mortgagee is the holder of that certain Mortgage Note dated April 27, 2006 in the original principal amount of \$2,930,000.00, secured by that certain Mortgage, Assignment of Leases and Rents and Security Agreement ("Mortgage") dated April 27, 2006, recorded on May 02, 2006, as document number 0612226134, in the Office of the Recorder, Cook County, State of State of Illinois, covering the property legally described on Exhibit "A" attached hereto and made a part hereof;

#2300
10620 S Halsted
Chicago, IL

Near North National Title
222 N. LaSalle
Chicago, IL 60601

1061 NO 610008 / NO 1060243 FHM
MAIL TO

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WHEREAS, by Lease dated June 7, 1989, as amended, ("Lease"), recorded by Memorandum of Lease dated of even date, on September 19, 1989 as Document Number 89440798, in the Office of the Recorder of Cook County, State of Illinois, with 106 Halsted, Ltd., as landlord, leased to Tenant, as tenant, the property, commonly known as 10620 Halsted Street, Chicago, Illinois, legally described on Exhibit "A" ("Leased Premises");

WHEREAS, 106 Halsted, Ltd. has assigned its interest in the Lease and the Leased Premises to Landlord.

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

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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

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 default 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

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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 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 21 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 21 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 21 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,

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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: ~~1251~~ ~~1285~~ Avenue of the Americas, ~~11th Floor~~ ~~22nd Floor~~
New York, New York ~~10019~~ 10020

Attention: Tessa L. Peters
Facsimile: (212) 852.3391

If to Tenant:

104 Wilmot Road
Deerfield, Illinois 60015
Attention: Law Department
Facsimile: 847/914-2825
Telephone: 847/914-3574

If to Landlord:

c/o The Novogroder Companies, Inc.
875 N. Michigan Ave—Suite 3612
Chicago, Illinois 60611
Attention: George Novogroder
Facsimile: 312/951-1293
Telephone: 312/951-5500

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. In the event that Tenant exercises the right of first refusal contained in Article 25 of the Lease, Tenant agrees that (i) any proposed assumption of the Mortgage will be subject to the terms of the Mortgage and (ii) any release of the Mortgage will be subject to the terms and provisions of the Mortgage (including the defeasance provisions contained therein). 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.

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12. Notwithstanding anything in the Lease to the contrary, in the event that the Leased Premises is damaged by a fire or other casualty, the insurance proceeds relating to such casualty shall be deposited with an escrow agent. Such escrow agent shall be a nationally recognized title insurance company, or if none is selected by Tenant, another agent selected by the Mortgagee which is acceptable to Landlord and Tenant, which approval shall not be unreasonably withheld. The escrow agent shall disburse the proceeds in accordance with the terms and provisions of the Lease.

13. Notwithstanding anything contained in Article 14 (a) of the Lease to the contrary, for so long as the Mortgage remains of record, in the event that the Building (as such term is defined in the Lease) and/or Leased Premises and/or improvements thereon shall be damaged or destroyed by fire or other casualty, Tenant shall elect, subject to Tenant's right to terminate the Lease contained in Article 14(b) of the Lease, to repair and restore the Building and/or Leased Premises and/or the improvements thereon, to their condition immediately prior to such damage or destruction.

14. 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.

15. 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.

16. Tenant agrees that in the event Tenant elects to provide self-insurance as permitted under the Lease, then in the event of any casualty, Tenant agrees to deposit with an escrow agent an

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amount equal to the proceeds that would have been paid pursuant to the insurance policies required to be maintained by Tenant if Tenant was not providing self-insurance, and that all of such proceeds shall be applied by escrow agent to the restoration of the Property in accordance with the terms and conditions of the Lease in the same manner as escrow agent would have applied proceeds paid pursuant to such insurance policies.

Signature Page Follows

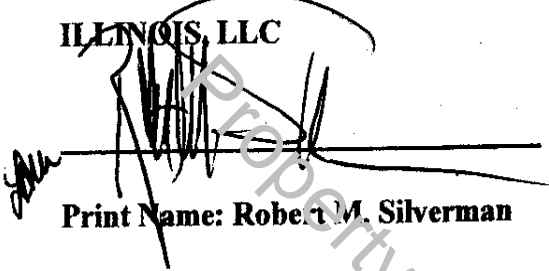
Property of Cook County Clerk's Office

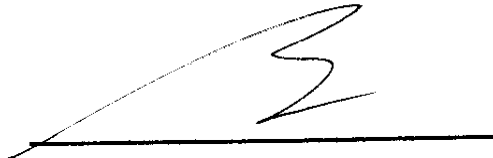
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IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement, under seal, as of the day and year first above written.

TENANT:
BOND DRUG COMPANY OF ILLINOIS, LLC

MORTGAGEE:
UBS REAL ESTATE INVESTMENTS INC.





Print Name: Robert M. Silverman

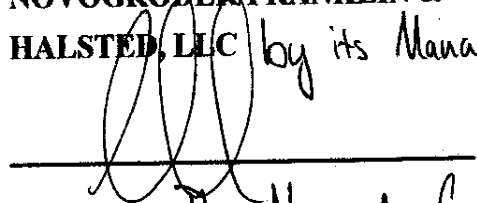
Print Name: Brad Cohen
TITLE Executive Director

Title: Vice President

Name: _____
TITLE _____

Pamela McCormack
Executive Director

LANDLORD:
NOVOGRODER/FRANKLIN & HALSTED, LLC by its Manager



Print Name: The Novogrodor Companies, Inc.

Title: Its President, George Novogrodor

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STATE OF ILLINOIS)
)
COUNTY OF LAKE)

Before me, a Notary Public in and for said County and State, personally appeared Robert M. Silverman, personally known to me to be a Vice President of BOND DRUG COMPANY OF ILLINOIS, LLC, an Illinois limited liability, who acknowledged execution of the foregoing Subordination, Non-Disturbance and Attornment Agreement, for and on behalf of said corporation, and who, having been duly sworn, stated that the representations therein are true.

Given under my hand and notarial seal this 27 day of March, 2006.



Lola Allen - Muhammad
Notary Public

My commission expires:

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STATE OF INDIANA)
)
COUNTY OF LAKE)

President of The Novogroder Companies, Inc., Manager

Before me, a Notary Public in and for said County and State, personally appeared George Novogroder, personally known to me to be a ~~Managing Member~~ of Novogroder/35 & Cicero, LLC an Illinois limited liability company, who acknowledged execution of the foregoing Subordination, Non-Disturbance and Attornment Agreement, for and on behalf of said corporation, and who, having been duly sworn, stated that the representations therein are true.

Franklin & Halsted

Given under my hand and notarial seal this 7th day of April, 2006.

Amanda Hamilton
Notary Public

My commission expires:



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STATE OF NY)
) ss:
COUNTY OF NY)

Before me, a Notary Public in and for said County and State, personally appeared Brad Cohen, personally known to me to be a Exec Director of UBS Real Estate Investments Inc., a Delaware corporation, who acknowledged execution of the foregoing Subordination, Non-Disturbance and Attornment Agreement, for and on behalf of said corporation, and who, having been duly sworn, stated that the representations therein are true.

Given under my hand and notarial seal this 25 day of April, 2006.

Sarah S. Gochberg
Notary Public

My commission expires:

SARAH S. GOCHBERG
Notary Public, State of New York
No. 01606059332
Certified in New York County
Commission Expires May 29, 2007

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STATE OF ny)
) ss:
COUNTY OF ny)

Before me, a Notary Public in and for said County and State, personally appeared Amelia Melomack, personally known to me to be a Exec Director of UBS Real Estate Investments Inc., a Delaware corporation, who acknowledged execution of the foregoing Subordination, Non-Disturbance and Attornment Agreement, for and on behalf of said corporation, and who, having been duly sworn, stated that the representations therein are true.

Given under my hand and notarial seal this 25 day of April, 2006.

Sarah S. Gochberg
Notary Public

My commission expires:

SARAH S. GOCHBERG
Notary Public, State of New York
No. 01G0609332
Certified in New York County
Commission Expires May 29, 2007

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EXHIBIT "A"

LEGAL DESCRIPTION (STORE # 2300)

Lots 1 to 9, (except the East 17 feet thereof) both inclusive, and the North 15 feet of Lot 10, (except the East 17 feet thereof) in E. A. Warfield's Subdivision of Block 9 in Section 17 Addition to Washington Heights, a subdivision of the South $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the South East $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 17, Township 37 North, Range 14, East of the Third Principal Meridian in Cook County, Illinois.

#2300
10620 S Halsted
Chicago, IL

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