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THIS DOCUMENT PREPARED BY,
and
WHEN RECORDED RETURN TO:



Michael Fraunces, President
(858) 799-7850
Md7 Capital Three, LLC
10590 West Ocean Air Drive
Suite 303
San Diego, CA 92130

Doc#: 1123433097 Fee: \$52.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 08/22/2011 11:04 AM Pg: 1 of 9

Parcel #: 14-01-22-042-1001 thru 1075

DER'S USE

RECOGNITION AGREEMENT

THIS RECOGNITION AGREEMENT ("Agreement") is entered into as of January 25, 2011, by and among **PAC Lofts Condominium Association**, an Illinois non-profit corporation, as successor in interest to Paulina Art Center, LLC ("**Landlord**"), whose mailing address for notices is 946 West Randolph Street, Suite 200, Chicago, IL 60607, **T-Mobile Central LLC**, a Delaware limited liability company, as successor in interest to VoiceStream GSM I Operating Company, LLC, a Delaware limited liability company ("**T-Mobile Subtenant**"), whose mailing address for notices is Attn: Lease Administrator and Legal Department CH30021B, 2001 Butterfield Road, Suite 1900, Downers Grove, IL 60515; with a copy to Attn: PCS Lease Administrator and Legal Department CH30021B, T-Mobile USA, Inc., 12920 SE 38th Street, Bellevue, Washington 98006, and **Md7 Capital Three, LLC**, a Delaware limited liability company ("**Tenant**"), whose mailing address for notices is 10590 West Ocean Air Drive, Suite 303, San Diego, California 92130. The effective date of this Agreement is April 10, 2011 ("**Effective Date**").

RECITALS

WHEREAS, Landlord and Tenant are parties to that certain Rooftop Lease with Option dated April 11, 2003, as amended by that certain First Amendment to Rooftop Lease with Option dated effective as of April 10, 2011 (as supplemented and amended from time to time, collectively, the "**Lease**"), which demises certain premises located at 1735 N. Paulina Street, Chicago, IL 60622 ("**Premises**"), that are a portion of the real property described in Exhibit A attached hereto and incorporated herein ("**Property**");

WHEREAS, pursuant to the terms and conditions of the Lease, the Modified Term (as defined in the Lease) of the Lease expires on April 9, 2036 (the "**Lease Expiration Date**"), and Landlord has agreed to modify the Rent (as defined in the Lease) due under the Lease in exchange for a Rent Lock-In Period (as defined in the Lease);

WHEREAS, Tenant is subleasing the Premises to T-Mobile Subtenant pursuant to that certain Site Sublease and Assignment Agreement between such parties (as supplemented and amended from time to time, the "**Sublease**");

WHEREAS, pursuant to the terms and conditions of the Sublease, T-Mobile Subtenant enjoys all of the rights of Tenant under the Lease during the term of the Sublease and T-Mobile Subtenant has agreed to perform all of the obligations of Tenant under the Lease other than the payment of Rent; and

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WHEREAS, Landlord, T-Mobile Subtenant and Tenant have agreed to enter into this Agreement on the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein by reference and of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Sublease Permission.** Landlord hereby acknowledges and agrees that the Sublease is permitted under the terms and conditions of the Lease.
2. **Recognition; Nondisturbance.** Landlord agrees that T-Mobile Subtenant shall be a third party beneficiary under the Lease, and hereby recognizes T-Mobile Subtenant's rights to use, possess and enjoy the Premises pursuant to the Sublease as being valid and enforceable rights. Landlord agrees not to disturb or interfere with any of T-Mobile Subtenant's rights to use, possess or enjoy the Premises at any time prior to the Lease Expiration Date, for any reason, provided that T-Mobile Subtenant timely cures any T-Mobile Subtenant Default (defined below). Landlord further agrees to recognize and accept: (a) T-Mobile Subtenant's exercise of all rights and options under the Lease on behalf of Tenant as tenant thereunder (including, without limitation, all tenant remedies and rights to renew the term of the Lease beyond the Lease Expiration Date); (b) T-Mobile Subtenant's performance of the Tenant's obligations as tenant under the Lease; and (c) any assignment by Tenant of the tenant's rights under the Lease to T-Mobile Subtenant. For purposes hereof, the term "T-Mobile Subtenant Default" means any material default under the Lease on account of T-Mobile Subtenant's use of the Premises in a manner prohibited thereby or on account of any failure by T-Mobile Subtenant to pay any monetary obligations (excluding Rent) that are required to be paid or reimbursed under the Lease (if applicable).
3. **Sublease Rent Payments and Rent Lock-In.** The parties acknowledge and agree that, pursuant to the Sublease, T-Mobile Subtenant is responsible for paying monthly base rent payments to Tenant and that T-Mobile Subtenant has agreed to a rent lock-in period ("Sublease Rent Lock-In Period") that runs concurrently with the Rent Lock-In Period.
4. **Additional Rent and Other Payments under Lease.** Landlord acknowledges and agrees that T-Mobile Subtenant shall not be required to pay any Rent under the Lease, unless and until T-Mobile Subtenant becomes the "tenant" under a New Lease (defined below) pursuant to Section 6 below; provided, however, the parties agree that T-Mobile Subtenant shall be responsible for, and shall timely pay directly to Landlord: (a) any payments due under the Lease for utilities, insurance, real property taxes and maintenance charges (collectively, "Owner Reserved Payments") and (b) any Additional Premises Rent (as defined in the Lease), and Landlord agrees to look only to T-Mobile Subtenant for such payments under the Lease.
5. **No Amendment.** Landlord agrees that it will not amend or modify the Lease without the consent of T-Mobile Subtenant, which consent T-Mobile Subtenant may withhold in its sole and absolute discretion if (in T-Mobile Subtenant's reasonable judgment) the amendment or modification would materially or adversely affect T-Mobile Subtenant's rights in and to the Premises, including, without limitation, any and all changes to the Rent and other charges payable under the Lease, any modifications of the term of the Lease and any modifications to the Premises or rights appurtenant to the Premises. If (in T-Mobile Subtenant's reasonable judgment) the amendment or modification would not materially or adversely affect T-Mobile Subtenant's rights in and to the Premises, then T-Mobile Subtenant may not unreasonably withhold, condition or delay its consent to such amendment or modification. Landlord shall

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not cause or join in any rescission, rejection or other termination of the Lease prior to the Lease Expiration Date, without the express prior written consent of T-Mobile Subtenant.

6. **Direct Lease; Attornment by T-Mobile Subtenant.** If, at any time during the term of the Sublease, the Lease is either rescinded, rejected or otherwise terminated (except in connection with an uncured T-Mobile Subtenant Default), then Landlord shall promptly notify T-Mobile Subtenant thereof, and Landlord agrees, upon T-Mobile Subtenant's request, to enter into a direct lease between Landlord, as landlord, and T-Mobile Subtenant, as tenant, for the remainder of the period prior to the Lease Expiration Date, on the same terms and conditions as set forth in the Lease, including, without limitation, all Rent, any remaining portion of the Rent Lock-In Period, and the Renewal Terms (a "New Lease"). From and after the first day of the first full month following the date Landlord and T-Mobile Subtenant enter into a New Lease, in all, T-Mobile Subtenant shall commence paying Rent directly to Landlord and T-Mobile Subtenant shall not be responsible for any Rent unpaid by Tenant; provided, however, that T-Mobile Subtenant shall continue to be responsible for the payment of all Owner Reserved Payments, Additional Premises Rent and Revenue Share Fees, if applicable.

7. **General Provisions.**

(a) This Agreement constitutes the final, complete and exclusive statement between the parties to this Agreement, supersedes all prior and contemporaneous understandings or agreements of the parties with regard to the subject matter hereof, and is binding on and inures to the benefit of their respective heirs, representatives, successors and assigns. Any agreement made after the date of this Agreement is ineffective to modify, waive, or terminate this Agreement, in whole or in part, unless that agreement is in writing, is signed by all parties to this Agreement, and specifically states that the agreement modifies this Agreement.

(b) This Agreement will be governed by, and construed in accordance with the internal laws of the state where the Premises are located.

(c) If any provision of this Agreement is, to any extent, held to be invalid or unenforceable, the remainder of this Agreement will not be affected, and each provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

(d) Landlord shall promptly deliver to T-Mobile Subtenant a copy of any and all notices which Landlord is required to give under the Lease, and any other notice or official communication given by Landlord to Tenant with respect to the Lease. Any notice under this Agreement will be delivered personally, by certified mail, return receipt requested, or by a nationally recognized overnight courier, addressed to the party to whom it is intended. Any notice given to Landlord or T-Mobile Subtenant shall be sent to the respective address set forth below, or to such other address as that party may designate for service of notice by a notice given in accordance with the provisions of this paragraph. A notice sent pursuant to the terms of this paragraph shall be deemed delivered when delivery is attempted, if delivered personally, two (2) business days after deposit into the United States mail, or the day following deposit with a nationally recognized overnight courier.

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Landlord's Address:	T-Mobile Subtenant:	Tenant:
PAC Lofts Condominium Association c/o Phoenix Rising Management Group LTD 946 West Randolph Street, Suite 200 Chicago, IL 60607	T-Mobile Central LLC 2001 Butterfield Road Suite 1900 Downers Grove, IL 60515 Attn: Lease Administrator CH30021B With a copy to: Attn: Legal Department CH30021B With a copy to: T-Mobile USA, Inc. 12920 SE 38th Street Bellevue, Washington 98006 Attn: PCS Lease Administrator CH30021B And with a copy to: Attn: Legal Department CH30021B	Md7 Capital Three, LLC 10590 West Ocean Air Drive Suite 303 San Diego, California 92130 Attn: Legal Department

(e) If, after the Effective Date of this Agreement, either party commences any litigation or other legal proceeding against the other party arising out of, or in connection with, this Agreement, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees and costs of suit.

(f) Each party to this Agreement will, at its own cost and expense, execute and deliver such further documents and instruments and will take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

(g) Landlord acknowledges and agrees that T-Mobile Subtenant lacks an adequate remedy at law if Landlord does not honor its obligations under this Agreement, and that Landlord's obligations hereunder shall be enforceable by means of an action for specific performance and other equitable relief.

(h) This Agreement runs with the land of which the Premises are a part, and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(i) This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

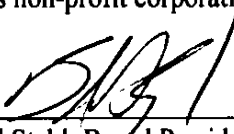
[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties have entered into this Agreement as of the day and year first above written.


LANDLORD:

PAC Lofts Condominium Association,
an Illinois non-profit corporation

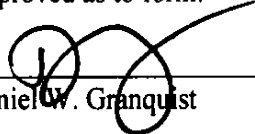
By: 
Brad Stahl, Board President

T-MOBILE SUBTENANT:

T-Mobile Central LLC,
a Delaware limited liability company


By: 
Print Name: Kim Curtis
Title: Director - Engineering Development

Approved as to form:


Daniel W. Granquist

TENANT:

Md7 Capital Three, LLC,
a Delaware limited liability company

By: 
Print Name: Michael Fraunces
Title: President

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LANDLORD ACKNOWLEDGEMENT

STATE OF ILLINOIS)

COUNTY OF COOK)

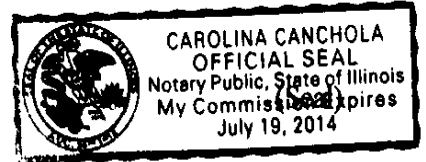
On March 22, 2011 before me, [print name and title of notarial officer here:] Carolina Canchola

personally appeared Brad Stahl, who 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 executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Carolina Canchola

My commission expires: 7-19-14



T-MOBILE SUBTENANT ACKNOWLEDGEMENT

STATE OF ILLINOIS)

COUNTY OF DUPAGE)

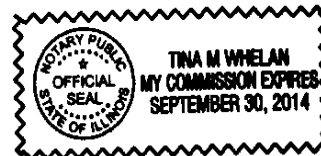
I certify that I know or have satisfactory evidence that Kim Curtis is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as **Director - Engineering Development** of T-Mobile Central LLC as the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated 6-27-11

Signature Tina M. Whelan

Title: Notary Public

My commission expires: 09-30-14



(Seal)

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TENANT ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN DIEGO)

On March 25, 2011, before me, Veronica Schirmacher, a Notary Public, personally appeared Michael Frances, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Veronica Schirmacher

My commission expires:



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EXHIBIT A

LEGAL DESCRIPTION

Street Address: 1735 N. Paulina Street, Chicago, IL 60622

Parcel #: 14-31-422-042-1001 thru 14-31-422-042-1075

Legal Description:

That certain communications facility site (and access and utility easements) on a portion of the real property described as follows:

PARCEL 1:

THAT PART LOTS 16 TO 25, BOTH INCLUSIVE, TOGETHER WITH THE WEST HALF OF THE VACATED ALLEY LYING SOUTH OF THE EASTERLY EXTENSION OF THE NORTH LINE OF LOT 25 AND LYING NORTH OF THE WESTERLY EXTENSION OF THE SOUTH LINE OF THE NORTH 11 FEET AND $\frac{1}{4}$ INCHES OF LOT 7, ALL IN DILLARDS RESUBDIVISION OF LOTS 70 TO 87, BOTH INCLUSIVE, AND LOTS 99 TO 116, BOTH INCLUSIVE, IN KEENAN'S SUBDIVISION OF BLOCK 24 IN SHEFFIELD'S ADDITION TO CHICAGO IN THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL A TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +50.28 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 16; THENCE NORTH $89^{\circ}53'26''$ EAST, ALONG THE SOUTH LINE THEREOF, 91.26 FEET; THENCE NORTH $00^{\circ}03'52''$ EAST, 63.24 FEET; THENCE NORTH $89^{\circ}58'34''$ WEST, 0.64 FEET; THENCE NORTH $00^{\circ}01'10''$ EAST, 132.08 FEET; THENCE SOUTH $90^{\circ}00'00''$ EAST, 34.54 FEET TO ITS POINT OF INTERSECTION WITH THE WEST LINE OF SAID VACATED ALLEY; THENCE NORTH $00^{\circ}01'26''$ EAST, 13.98 FEET TO ITS POINT OF INTERSECTION WITH THE WESTERLY EXTENSION OF THE SOUTH LINE OF THE NORTH 11 FEET AND $\frac{1}{4}$ INCHES OF LOT 7, AFORESAID; THENCE NORTH $89^{\circ}45'24''$ EAST, ALONG SAID WESTERLY EXTENSION, 8.90 FEET TO ITS POINT OF INTERSECTION WITH THE EAST LINE OF THE WEST HALF OF THE VACATED ALLEY, AFORESAID; THENCE NORTH $00^{\circ}01'26''$ EAST, ALONG SAID EAST LINE, 6.06 FEET TO ITS POINT OF INTERSECTION WITH THE EASTERLY EXTENSION OF THE NORTH LINE OF LOT 25, AFORESAID; THENCE SOUTH $89^{\circ}45'12''$ WEST, ALONG THE NORTH LINE OF LOT 25 AND ITS EASTERLY EXTENSION, 133.29 FEET TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH $00^{\circ}00'00''$ WEST, 245.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

CONTAINING 24,287 SQUARE FEET OR 0.5576 ACRES, MORE OR LESS.

PARCEL 1a:

THAT PART LOTS 16 TO 25, BOTH INCLUSIVE, TOGETHER WITH THE WEST HALF OF THE VACATED ALLEY LYING SOUTH OF THE EASTERLY EXTENSION OF THE NORTH LINE OF LOT 25 AND LYING NORTH OF THE WESTERLY EXTENSION OF THE SOUTH LINE OF THE NORTH 11 FEET AND $\frac{1}{4}$ INCHES OF LOT 7, ALL IN DILLARDS RESUBDIVISION OF LOTS 70 TO 87, BOTH INCLUSIVE, AND LOTS 99 TO 116, BOTH INCLUSIVE, IN KEENAN'S SUBDIVISION OF BLOCK 24 IN SHEFFIELD'S ADDITION TO CHICAGO IN THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALL A TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +54.99 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 16; THENCE NORTH $89^{\circ}53'26''$ EAST, ALONG THE SOUTH LINE THEREOF, 91.26 FEET TO THE POINT OF BEGINNING; THENCE NORTH $00^{\circ}03'52''$ EAST, 63.24 FEET;

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THENCE NORTH 89°58'34" WEST, 0.64 FEET; THENCE NORTH 00°01'10" EAST, 132.08 FEET; THENCE SOUTH 90°00'00" EAST, 34.54 FEET TO ITS POINT OF INTERSECTION WITH THE EAST LINE OF SAID LOTS 16 TO 25, INCLUSIVE; THENCE SOUTH 00°01'26" WEST, ALONG SAID EAST LINE, 195.26 FEET TO THE SOUTHEAST CORNER OF SAID LOT 16; THENCE SOUTH 89°53'26" WEST, ALONG THE SOUTH LINE OF LOT 16, AFORESAID, 33.93 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CONTAINING 6,704 SQUARE FEET OR 0.1539 ACRES, MORE OR LESS.

A portion of the common elements of Pac Lofts Condominium, as recorded as Document Number 0629915152 on October 26, 2006, and any amendments thereto, in the records of Cook County, Illinois.

Property of Cook County Clerk's Office