



Doc# 2230733034 Fee \$93.00

Prepared by/ return to:

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RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 11/03/2022 01:29 PM PG: 1 OF 12

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

This SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") dated this 20th day of October, 2022, is made by and among SALON LOFTS GROUP, LLC, a Delaware limited liability company ("Tenant"), 328 N. CARPENTER, L.L.C., a Delaware limited liability company ("Landlord"), and PGIM REAL ESTATE U.S. DEBT FUND REIT, LLC, a Delaware limited liability company (together with its successors or assigns in interest, collectively "Lender").

WHEREAS, Lender is the owner and the holder of a loan evidenced by a promissory note (the "Note") dated as of the date hereof in the face amount of \$43,500,000.00 by Landlord (as defined below) in favor of Lender. The Note is secured by a Mortgage, Assignment of Leases and Rents, Security Agreement, And Fixture Filing (the "Mortgage") dated the same date as said Note, and recorded in the Real Property Records of Cook County, Illinois, covering the real property described therein (the "Mortgaged Premises").

WHEREAS, Tenant is the tenant under a lease agreement from Landlord (or Landlord's predecessor in ownership of the Property) dated September 26, 2022 (herein, as may from time to time be extended, amended, restated or supplemented, the "Lease"), covering a portion of the Property (said portion being herein referred to as the "Premises"); and

WHEREAS, the term "Landlord" as used herein means the present landlord under the Lease or, if the landlord's interest is transferred in any manner, the successor(s) or assign(s) occupying the position of landlord under the Lease at the time in question.

NOW, THEREFORE, in consideration of the mutual agreements herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Subordination. Tenant agrees and covenants, subject to the terms of this Agreement, that the Lease and the rights of Tenant thereunder, all of Tenant's right, title and interest in and to the property covered by the Lease, and any lease thereafter executed by Tenant covering any part of the Property, are and shall be subject, subordinate and inferior in all respects to (a) the Mortgage and the rights of Mortgagee thereunder, and all right, title and interest of Mortgagee in the Property, and (b) all other security documents now or hereafter securing payment of any indebtedness of the Landlord (or any prior landlord) to Mortgagee which cover or affect all or any portion of the Property (collectively, the "Security Documents"). This Agreement is not intended and shall not be construed to subordinate the Lease to any mortgage, deed of trust or other

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security document other than those referred to in the immediately preceding sentence, securing the indebtedness owing to Mortgagee.

2. Non-Disturbance. Mortgagee agrees that so long as the Lease is in full force and effect and Tenant is not in default in the payment of rent, additional rent or other payments due under the Lease or in the performance of any of the other terms, covenants or conditions of the Lease on Tenant's part to be performed (beyond the period, if any, specified in the Lease within which Tenant may cure such default),

(a) Tenant's possession of the Premises under the Lease shall not be disturbed or interfered with by Mortgagee in the exercise of any of its foreclosure rights under the Mortgage or in connection with the conveyance of the Property by deed in lieu of foreclosure nor by Successor Landlord (as defined below) from and after the Transfer Date, and

(b) Mortgagee will not join Tenant as a party defendant for the purpose of terminating Tenant's interest and estate under the Lease in any proceeding for foreclosure of the Mortgage.

3. Attornment.

(a) Tenant covenants and agrees that in the event of the foreclosure of the Mortgage, whether by power of sale or by court action, or upon a transfer of the Property by a deed in lieu of foreclosure (each being referred to herein as the "Transfer Date") (the purchaser at foreclosure or the transferee in such deed in lieu of foreclosure, including Mortgagee if it is such purchaser or transferee, being herein called the "Successor Landlord"), Tenant shall attorn to the Successor Landlord as Tenant's new landlord, and agrees that the Lease shall continue in full force and effect as a direct lease between Tenant and Successor Landlord upon all of the terms, covenants, conditions and agreements set forth in the Lease and this Agreement, except for provisions which are impossible for Successor Landlord to perform; provided, however, that in no event shall the Successor Landlord be:

(i) liable for any act, omission, default, misrepresentation, or breach of warranty, of any previous landlord (including Landlord) or obligations accruing prior to Successor Landlord's actual ownership of the Property;

(ii) subject to any offset, defense, claim or counterclaim which Tenant might be entitled to assert against any previous landlord (including Landlord) unless the Tenant shall have provided the Mortgagee with (A) notice of the applicable default that gave rise to such offset or defense, and (B) the opportunity to cure the same, all in accordance with the terms of Section 4(b) below;

(iii) bound by any payment of rent, additional rent or other payments, made by Tenant to any previous landlord (including Landlord) for more than one (1) month in advance of the date when due under the Lease;

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(iv) bound by any amendment or modification of the Lease hereafter made, without the written consent of Mortgagee (if such consent is required pursuant to the terms of the Security Documents);

(v) liable for any deposit that Tenant may have given to any previous landlord (including Landlord) which has not been transferred to Successor Landlord; or

(vi) bound by any Construction-Related Obligation (as hereinafter defined) of Landlord under the Lease. "Construction-Related Obligation(s)" means any obligation of Landlord under the Lease to make, pay for, or reimburse Tenant for any alterations, demolition, or other improvements or work at Landlord's Premises, including Tenant's Premises. Construction-Related Obligations shall not include: (a) reconstruction or repair following fire, casualty or condemnation; or (b) day-to-day maintenance and repairs. Notwithstanding the foregoing, Successor Landlord shall recognize Tenant's right to offset for non-payment of the Allowance when due pursuant to Exhibit D, Section 9 of the Lease;

(b) The provisions of this Agreement regarding attornment by Tenant shall be self-operative and effective without the necessity of execution of any new lease or other document on the part of any party hereto or the respective heirs, legal representatives, successors or assigns of any such party. Tenant agrees, however, to execute and deliver upon the request of Successor Landlord, any reasonable instrument or certificate which in the reasonable judgment of Successor Landlord may be necessary or appropriate to evidence such attornment, including a new lease of the Premises on the same terms and conditions as set forth in the Lease for the unexpired term of the Lease.

4. Acknowledgment and Agreement by Tenant. Tenant acknowledges and agrees as follows:

(a) Tenant will not amend, alter or waive any provision of, or consent to the amendment, alteration or waiver of any provision of the Lease without the prior written consent of Mortgagee, unless such amendment is permitted pursuant to the Security Documents. Tenant shall not prepay any rents or other sums due under the lease for more than one (1) month in advance of the due date therefor. Tenant acknowledges that Mortgagee will rely upon this instrument in connection with the financing being made by Mortgagee and secured, in part, by the Mortgage.

(b) From and after the date hereof, in the event of a default by Landlord which would give Tenant the right, either immediately or after the lapse of time, to terminate the Lease or to claim a partial or total eviction, Tenant will not exercise any such right (i) until it has given written notice of such act or omission to the Mortgagee; and (ii) until Tenant has given Mortgagee a period of thirty (30) days after the expiration of Landlord's applicable cure period to cure such default, or such longer period of time as may be necessary to cure or remedy such default, during which period of time Mortgagee shall be permitted to cure or remedy such default; provided, however, that Mortgagee shall have no duty or obligation to cure or remedy any default. It is specifically agreed that Tenant shall

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not, as to Mortgagee, require cure of any such default which is personal to Landlord, and therefore not susceptible to cure by Mortgagee.

(c) In the event that Mortgagee notifies Tenant of a default under the Mortgage or Security Documents and demands that Tenant pay its rent and all other sums due under the Lease directly to Mortgagee, Tenant shall honor such demand and pay the full amount of its rent and all other sums due under the Lease directly to Mortgagee, without offset, or as otherwise required pursuant to such notice beginning with the payment next due after such notice of default, without inquiry as to whether a default actually exists under the Mortgage or other Security Documents, and notwithstanding any contrary instructions of or demands from Landlord.

(d) Tenant has no right or option of any nature whatsoever, whether pursuant to the Lease or otherwise, to purchase the Premises or the Property, or any portion thereof or any interest therein, and to the extent that Tenant has had, or hereafter acquires, any such right or option, the same is hereby acknowledged to be subject and subordinate to the Mortgage and is hereby waived and released as against Mortgagee and Successor Landlord.

(e) Mortgagee and any Successor Landlord shall have no obligation nor incur any liability with respect to the erection or completion of any improvements in which the Premises are located or for completion of the Premises or any improvements for Tenant's use and occupancy, either at the commencement of the term of the Lease or upon any renewal or extension thereof or upon the addition of additional space, pursuant to any expansion rights contained in the Lease.

(f) Mortgagee and any Successor Landlord shall have no obligation nor incur any liability with respect to any warranties of any nature whatsoever, whether pursuant to the Lease or otherwise, including, without limitation, any warranties respecting use, compliance with zoning, Landlord's title, Landlord's authority, habitability, fitness for purpose or possession provided that to the extent that the breach of any such warranty shall give the Tenant the right to terminate the Lease pursuant to the terms of the Lease, Tenant shall retain such right to terminate pursuant to the terms of the Lease.

(g) In the event that Mortgagee or any Successor Landlord shall acquire title to the Premises or the Property, Mortgagee or such Successor Landlord shall have no obligation, nor incur any liability, beyond Mortgagee's or Successor Landlord's then equity interest, if any, in the Property or the Premises, and Tenant shall look exclusively to such equity interest of Mortgagee or Successor Landlord, if any, for the payment and discharge of any obligations imposed upon Mortgagee or Successor Landlord hereunder or under the Lease or for recovery of any judgment from Mortgagee, or Successor Landlord, and in no event shall Mortgagee, Successor Landlord, nor any of their respective officers, directors, shareholders, agents, representatives, servants, employees or partners ever be personally liable for such judgment.

5. Acknowledgment and Agreement by Landlord. Landlord, as landlord under the Lease and grantor under the Mortgage, acknowledges and agrees for itself and its heirs, representatives, successors and assigns, that: (a) this Agreement does not constitute a waiver by

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Mortgagee of any of its rights under the Mortgage or any of the other Security Documents, or in any way release Landlord from its obligations to comply with the terms, provisions, conditions, covenants, agreements and clauses of the Mortgage and the other Security Documents; (b) the provisions of the Mortgage and the other Security Documents remain in full force and effect and must be complied with by Landlord; and (c) Tenant is hereby authorized to pay its rent and all other sums due under the Lease directly to Mortgagee upon receipt of a notice as set forth in paragraph 4(c) above from Mortgagee and that Tenant is not obligated to inquire as to whether a default actually exists under the Mortgage or any of the other Security Documents. Landlord hereby releases and discharges Tenant of and from any liability to Landlord resulting from Tenant's payment to Mortgagee in accordance with this Agreement. Landlord represents and warrants to Mortgagee that a true and complete copy of the Lease has been delivered by Landlord to Mortgagee.

6. Lease Status. Landlord and Tenant represent and warrant to Mortgagee that neither Landlord nor Tenant has knowledge of any default on the part of the other under the Lease, that the Lease is bona fide and contains all of the agreements of the parties thereto with respect to the letting of the Premises and that all of the agreements and provisions therein contained are in full force and effect.

7. Notices. All notices, requests, consents, demands and other communications required or which any party desires to give hereunder shall be in writing and shall be deemed sufficiently given or furnished if delivered by personal delivery, by expedited delivery service with proof of delivery, or by registered or certified United States mail, postage prepaid, at the addresses specified at the end of this Agreement (unless changed by similar notice in writing given by the particular party whose address is to be changed). Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail, as of the date of first attempted delivery at the address and in the manner provided herein. Notwithstanding the foregoing, no notice of change of address shall be effective except upon receipt by the parties hereto other than the particular party whose address is to be changed. This Paragraph 7 shall not be construed in any way to affect or impair any waiver of notice or demand provided in this Agreement or in the Lease or in any document evidencing, securing or pertaining to the loan secured by the Mortgage or to require giving of notice or demand to or upon any person in any situation or for any reason.

8. Miscellaneous.

(a) This Agreement supersedes any inconsistent provision of the Lease.

(b) Nothing contained in this Agreement shall be construed to derogate from or in any way impair, or affect the lien, security interest or provisions of the Mortgage or the other Security Documents.

(c) This Agreement shall inure to the benefit of the parties hereto, their respective successors and permitted assigns, and any Successor Landlord, and its heirs, personal representatives, successors and assigns; provided, however, that in the event of the assignment or transfer of the interest of Mortgagee, all obligations and liabilities of the assigning Mortgagee

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under this Agreement shall terminate, and thereupon all such obligations and liabilities shall be the responsibility of the party to whom Mortgagee's interest is assigned or transferred.

(d) THIS AGREEMENT AND ITS VALIDITY, ENFORCEMENT AND INTERPRETATION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS AND APPLICABLE UNITED STATES FEDERAL LAW.

(e) The words "herein", "hereof", "hereunder" and other similar compounds of the word "here" as used in this Agreement refer to this entire Agreement and not to any particular section or provision.

(f) This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest.

(g) If any provision of the Agreement shall be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not apply to or affect any other provision hereof, but this Agreement shall be construed as if such invalidity, illegality, or unenforceability did not exist.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

**LENDER:**

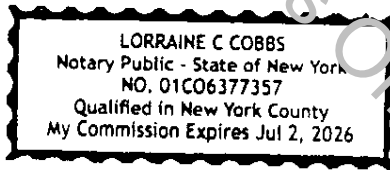
**PGIM REAL ESTATE U.S. DEBT FUND REIT, LLC,**  
a Delaware limited liability company

By: Stephen Bailey  
Name: Stephen Bailey  
Title: Authorized Signatory

STATE OF NEW YORK )  
  ) ss.  
COUNTY OF NEW YORK )

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this 17 day of October, 2022, by Stephen Bailey of **PGIM REAL ESTATE U.S. DEBT FUND REIT, LLC**, a Delaware limited liability company. He is personally known to me or has produced N/A as identification.

[Signature]  
Notary Public









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## EXHIBIT A

### Legal Description of Property

REAL PROPERTY IN THE CITY OF CHICAGO, COUNTY OF COOK, STATE OF ILLINOIS, DESCRIBED AS FOLLOWS:

THAT PART OF LOTS 1, 4, 5, 8, 9, 12, 13 AND 16 IN SUB BLOCK 13, IN CARPENTER'S ADDITION TO CHICAGO, TAKEN AS A TRACT AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 09 MINUTES 38 SECONDS WEST ALONG THE EAST LINE OF SAID TRACT 127.04 FEET; THENCE NORTH 89 DEGREES 38 MINUTES 06 SECONDS WEST 120.53 FEET TO THE WEST LINE OF SAID TRACT; THENCE NORTH 00 DEGREES 10 MINUTES 25 SECONDS EAST ALONG THE WEST LINE OF SAID TRACT 127.02 FEET TO THE NORTHWEST CORNER OF SAID TRACT; THENCE SOUTH 89 DEGREES 38 MINUTES 41 SECONDS EAST ALONG THE NORTH LINE OF SAID TRACT 120.50 FEET TO THE POINT OF BEGINNING, ALL IN THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Address: 318-328 North Carpenter Street and 1039 West Carroll Avenue, Chicago Illinois  
(f/k/a 328 North Carpenter Street)

Permanent Index Number: 17-08-410-016-0000

**UNOFFICIAL COPY****CERTIFICATION RELATED TO THE USA PATRIOT ACT**

The undersigned ("Tenant") hereby certifies to 633 W NORTH OWNER, LLC ("Landlord") the following:

1. Tenant maintains a place of business that is located at a fixed address (other than an electronic address or post office box) known as Salon Lofts Group LLC.
2. Tenant has no knowledge that it is not in full compliance with laws relating to bribery, corruption, fraud, money laundering and the Foreign Corrupt Practices Act.
3. The names and addresses of Tenant's Owner(s) (defined hereinafter), officer(s) and director(s) are STEVEN SCHILLINGER President & CEO, and Salon Parent LLP. "Owner" means any individual who owns, controls, or has the power to vote more than Five Percent (5%) of any class of Tenant's stock, or otherwise controls or has the power to control Tenant.
4. None of said owners, officers or directors appears on any of the following lists maintained by the United States government ("Government Lists"):
  - a. The two (2) lists maintained by the United States Department of Commerce (Denied Persons and Entities; the Denied Persons list can be found at [www.bxa.doc.gov/DPL/Default.shtm](http://www.bxa.doc.gov/DPL/Default.shtm); the Entity List can be found at [www.bxa.doc.gov/Entities/Default.htm](http://www.bxa.doc.gov/Entities/Default.htm));
  - b. The list maintained by the United States Department of Treasury (Specially Designated Nationals and Blocked Persons, which can be found at [www.ustreas.gov/ofac/t11sdn.pdf](http://www.ustreas.gov/ofac/t11sdn.pdf));
  - c. Two (2) lists maintained by the United States Department of State (Terrorist Organizations and Debarred Parties; the State Department List of Terrorists can be found at [www.state.gov/s/ct/rls/fs/2001/6531.htm](http://www.state.gov/s/ct/rls/fs/2001/6531.htm); the List of Debarred Parties can be found at [www.pmdtc.org/debar059.htm](http://www.pmdtc.org/debar059.htm)); and
  - d. Any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the rules and regulations of Office of Foreign Assets Control, U.S. Department of Treasury, or by any other government.
5. Tenant does not transact business on behalf of, or for the direct or indirect benefit of any individual or entity named on any Government List.
6. Tenant is currently in compliance with and shall at all times remain in compliance with the regulations of the Office of Foreign Assets Control of the Department of the Treasury (including those named on its Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism), or other governmental action relating thereto.

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