

K. Starr, GNA
3300 One Union Square
Seattle, WA 98101

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SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

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THIS AGREEMENT, made and entered into as of the 25th day of April, 1986, by and between Zale Construction Company, Inc., an Illinois Corporation ("Tenant") whose address is 2302 E. Rand Road, Arlington Heights, Il., and GNA LIFE INSURANCE COMPANY, an Oklahoma corporation ("Lender"), whose address is Suite 3300, One Union Square, Seattle, Washington 98101.

RECITALS:

A. Lender has agreed to make a mortgage loan ("loan") to LaSalle National Bank, as Trustee under Trust No. 45086 ("Borrower") in the amount of \$1,000,000, to be secured by a Mortgage or Deed of Trust (the "Mortgage") on the real property (the "Premises") legally described in Exhibit "A" attached hereto; and

B. Tenant is the present lessee under a lease dated April 1, 1986, made by LaSalle National Bank Trust No. 45086, as landlord, demising all or a portion of the Premises (said lease and all amendments thereto being referred to as the "Lease"); and

C. The loan terms require that Tenant subordinate the Lease and its interest in the Premises in all respects to the lien of the Mortgage and that Tenant attorn to Lender, and acknowledge that the Lease is in full force and effect; and

D. In return, Lender is agreeable to not disturbing Tenant's possession of the portion of the Premises covered by the Lease (the "Demised Premises"), so long as Tenant is not in default under the Lease;

NOW, THEREFORE, the parties hereby agree as follows:

1. Subordination. The Lease, and the rights of Tenant in, to and under the Lease and the Premises, are hereby subjected and subordinated, and shall remain in all respects and for all purposes subject and subordinate, to the lien of the Mortgage, and to any and all renewals, modifications and extensions thereof, and any and all other instruments held by Lender as security for the loan.

2. Tenant Not To Be Disturbed. So long as Tenant is not in default (beyond any period given Tenant by the terms of the

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Lease to cure such default) in the payment of rent or additional rent or in the performance of any of the terms, covenants or conditions of the Lease on Tenant's part to be performed, (a) Tenant's possession of the Demised Premises, or any extension or renewal rights therefor in the Lease, shall not be diminished or interfered with by Lender, and Tenant's occupancy of the Demised Premises shall not be disturbed by Lender during the term of the Lease or any such extensions or renewals thereof, and (b) Lender will not join Tenant as a party defendant in any action or proceeding foreclosing the Mortgage unless such joinder is necessary to foreclose the Mortgage and then only for such purpose and not for the purpose of terminating the Lease.

3. Tenant To Attorn To Lender. If Lender shall become the owner of the Premises or the Premises shall be sold by reason of foreclosure or other proceedings brought to enforce the Mortgage, or the Premises shall be transferred by deed in lieu of foreclosure, the Lease shall continue in full force and effect as a direct Lease between the then owner of the Premises and Tenant, and Tenant hereby attorns to Lender or any other such owner as its lessor, said attornment to be effective and self-operative without the execution of any further instruments; provided, however, that Lender or such other owner shall not be (a) liable for any act or omission of any prior lessor (including Borrower as lessor), or (b) subject to any offsets or defenses which Tenant might have against any such prior lessor, or (c) bound by any prepayment of rent or additional rent which Tenant might have paid, except as otherwise expressly required by the terms of the Lease, or (d) bound by any amendment or modification of the Lease or by any waiver or forbearance on the part of any such prior lessor made or given without the written consent of Lender or any subsequent holder of the Mortgage. Tenant shall be under no obligation to pay rent to Lender or any such other owner until Tenant receives written notice from Lender or any such other owner that it has succeeded to Borrower's interest under the Lease.

4. Purchase Options. Any option or rights contained in the Lease, or otherwise existing, to acquire any or all of the Premises are hereby made subject and subordinate to the rights of Lender under the Mortgage and any acquisition of any or all of the Premises made by Tenant during the term of the Mortgage shall be made subordinate and subject to the Mortgage.

5. Lender's Option to Cure Borrower's Default. Tenant agrees that Borrower shall not be in default under the Lease unless written notice specifying such default is given to Lender. Tenant agrees that Lender shall have the right to cure such default on behalf of Borrower within 30 days after the receipt of such notice. Tenant further agrees not to invoke any of its remedies under the Lease until said 30 days have elapsed, or

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EXHIBIT "A"

LEGAL DESCRIPTION:

Unit No. 5 Brandenberry Park East by Zale being a Subdivision of the South East 1/4 of Section 21, Township 42 North, Range 11 East of the Third Principal Meridian (excepting therefrom that part described as follows): Commencing at the South East Corner of said Unit 5, thence West on the South Line of said Unit 25.00 Feet to the Point of Beginning of this exception, thence continuing West on the South Line of said Unit 149.25 Feet to the South West Corner of said Unit, thence Northwesterly on the Southwesterly Line of said Unit 152.0 Feet, thence North at Right Angles to the Southwesterly Line of said Unit 80.0 Feet to its intersection with a Line 160.52 Feet North of and Parallel to the South Line of said Unit, thence East on said Parallel Line 81.89 Feet to its intersection with a Line 134.15 Feet Northeasterly of and Parallel with the Southwesterly Line of said Unit, thence Southerly on said Parallel Line 170.17 Feet thence South 48.0 Feet to the Point of Beginning in Cook County, Illinois.

Property Address: 2300-2336 Rand Road, Arlington Heights, Illinois

Permanent Property Tax Number: 03-21-402-013-0000 Volume 232

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