N BOX 888 -- BW RECORDING REQUESTED BY WHEN RECORDED RETURN TO:

104 TO 20 PM 2:04 86213608

1 Kins

E. F. HUTTON LIFE INSURANCE COMPANY 888 West Sixth Street, 9th Floor Los Angeles, California 90017 ATTN: Daniel B. Gorham

86213608

THIS DOCUMENT WAS PREPARED PY:

Brian T. Solczer, Esq. SELTZER CAPLAN WILKINS & MCMAHON P. O. Box X33999 3003-3043 Fourth Avenue San Diego, California 92103

#### SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

NOTICE: THIS AGREEMENT RESULTS IN THE LEASE-HOLD ESTATE IN THE PROFERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS AGREEMENT is made this // day of 22 / 1986, between E. F. HUTTON LIFE INSURANCE COMPANY ("Lender") and WELMONT ENTERPRISES, INC. dba DARLENE'S HALLMARK SHOP ("Tenant"), who agree as follows:

- This Agreement is executed in contemplation of the following facts and circumstances:
  - a. Lender is or is about to be the owner and holder of a Mortgage and accompanying Security Agreement and Assignment of Leases (collectively "Mortgage") now or hereafter encumbering that certain real property described in Exhibit X attached hereto and incorporated by this reference, and the huildings, improvements, and personal property thereon ("Premises") securing the payment of a Secured Non-recourse Promissory Note in the stated principal amount of \$8,650,000 executed by SCOTTSDALE LIMITED PARTNERSHIP, An Illinois limited partnership ("Borrower") to the order of Lender ("Secured Promissory Note").

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Tenant No. 28

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b. Tenant is the tenant under a lease ("Lease") dated September 14, 1985, as amended

made by LASALLE NATIONAL BANK, as Trustee Under Trust Agreement No. 10-36180-09, dated March 29, 1985, as landlord (said landlord and its successors and assigns occupying the position of landlord under the Lease are referred to herein as "Landlord"), covering a part of the Premises ("Demised Premises").

- c. Tenant and Lender desire to confirm their understanding with respect to the Lease and the Mortgage.
- 2. The Lease (and the leasehold estate created thereunder and all rights and privileges of Tenant thereunder) shall now, and shall at all times hereafter continue to be, subject and subordinate in each and every respect, to the Mortgage and to any and all increases, renewals, modifications, extensions, substitutions, replacements and(or) consolidations of the Mortgage, provided that any and all such increases, renewals, modifications, extensions, substitutions, replacements and(or) consolidations shall revertheless be subject to the terms of this Agreement.
- 3. So long as Tenant is not in default (beyond any period given Tenant 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 and Tenant's rights and privileges under the Lease, or any extensions or renewals thereof or acquisition of additional space which may be effected in accordance with any option therefor in the Lease, shall not be diminished or interfered with by Lender in the exercise of any of its rights under the Mortgage; (b) Tenant's occupancy of the Demised Premises or any such additional space shall not be disturbed by Lender in the exercise of any of its rights under the Mortgage during the term of the Lease or any such extensions or renewals thereof; and, (c) Lender will not join Tenant as a party derendant in any action or proceeding for the purpose of terminating Tenant's interest and estate under the Lease because of any default under the Mortgage.
- 4. In the event any proceedings are brought for the foreclosure of the Mortgage or if the Premises are sold pursuant to a trustee's sale under the Mortgage, or a deed is given in lieu thereof, Tenant shall and hereby agrees to attorn to the purchaser or transferee upon any such foreclosure sale, trustee's sale or transfer and shall recognize such purchaser/transferee as the Landlord under the Lease. Such attornment shall be effective and self-operative without the execution of any further instrument on the part of any of the parties hereto. Tenant agrees, however, to execute and deliver at any time and from time to time, upon the request of Landlord

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or of any holder(s) of any of the indebtedness or obligations secured by the Mortgage or any such purchaser/transferee, any instrument or certificate which, in the sole judgment of Landlord or of such holder(s) or such purchaser/transferee, may be necessary or appropriate in any foreclosure proceeding or otherwise to evidence Tenant hereby irrevocably appoints Lender and any attornment. other or future holders of the indebtedness or obligations secured by the Mortgage or purchaser/transferee jointly and severally the special agent and attorney in fact of Tenant to execute and deliver for and on behalf of Tenant any such instrument or certificate. power of attorney shall not terminate on disability of the principal, and shall be deemed coupled with an interest. the event of any such attornment, Tenant further waives the provisions of any statute or rule of law, now or hereafter in effect, which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect the Lease and the obligation of renant thereunder as a result of any such foreclosure proceeding which does not involve a breach of this agreement.

- If Lender shall succeed to the interest of Landlord under the Lease in any manner, or if any purchaser/transferee acquires the Demised Premises upon any foreclosure of Mortgage or any trustee's sale under the Mortgage or any deed given in lieu thereof, Lender or such purchaser/transferee, as the case may be, shall have the same remedies by entry, action or otherwise in the event of any default by Tenant (beyond any period given Tenant to cure such default) in the payment of rent or additional rent or in the performance of any of the terms, covenants and conditions of the Lease on Tenant's part to be performed that Landlord had or would have had if Lender such purchaser had not succeeded to the interest Landlord, provided, however, that in no event shall Lender or (a) liable for any act or such purchaser/transferee be: omission of any prior landlord (including Landlord); subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord); (c) bound by any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord (including landlord) or for the repayment of any security deposit; (d) bound by any amendment or modification of the Lease made without its consent; or, (e) liable for any act or omission of any subsequent Landlord, other than Lender as Landlord.
- 6. If Lender shall succeed to the interest of Landlord under the Lease in any manner, or if any purchaser/transferee acquires the Demised Premises upon any foreclosure of the Mortgage or any trustee's sale under the Mortgage or any deed given in lieu thereof, Lender or such purchaser, as the case may be, shall have the right to transfer, assign, and convey, in whole or in part, the Demised Premises and any and

all of its rights under the Lease, and in the event the Lender assigns its right under the Lease and such assignee assumes the obligations of Landlord under the Lease, Lender shall thereby be released from any further obligations hereunder and Tenant agrees to look solely to such successor in interest of the Lender for performance of such obligations.

- Nothing herein contained is intended, nor shall it be 7. construed, to abridge or adversely affect any right or remedy of Landlord under the Lease in the event of any default by Tenant Abeyond any period given Tenant to cure such default) in the payment of rent or additional rent or in the performance ofany of the terms, convenants or conditions of the Lease on Tenant's pack to be performed.
  - Tenant declares, agrees and acknowledges that:
  - Lender, in making disbursements under Secured Promissory Note, is under no obligation or duty to, has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any misapplication of the same shall iot defeat the subordination made hereunder either in whole or in part; and,
  - It intentionally and unconditionally waives, b. relinguishes, subjects and subordinates the Lease, the leasehold estate created thereby together with all lights and privileges of Tenant thereunder in favor of the lien and charge of the Mortgage and understands that in reliance upon, and in consideration of, this valver, relinquishment, subjection and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but reliance upon this waiver, relinguishment, subjection and subordination.
- 9. 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. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their heirs, personal representatives, successors and assigns, and any purchaser or purchasers at foreclosure of the Premises, or transferee where a deed is given in lieu thereof, and their respective heirs, person reprentatives, successors and assigns.
- 10. To the extent that the Lease shall entitle the Tenant to notice of any deed of trust, this Agreement shall constitute such notice to the Tenant with respect to the Mortgage and to any and all other deeds of trust which may hereafter be subject to the terms of this Agreement as provided above.

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THIS AGREEMENT CONTAINS A PROVISION WHICH NOTICE: ALLOWS THE PERSON OBLIGATED ON YOUR LEASE TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENTS OF THE PROPERTY.

#### LENDER:

E. F. HUTTON LIFE INSURANCE COMPANY, a California corporation

Name:

1. FARROLL Title: V

ATTEST:

TENANT:

WELMONT ENTERPRISES, DARLENE'S HALLMARK SHOP

INC.

dba

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STATE OF	) ) ss. )	
signed, a Notary Pub	lic in and fo	, 1986, before me, the under- r said State, personally appeared
		and
of	, and	d known to me to be the person(a)
ledge that they exec	cuted the sa	ame on behalf of said Company.
WITNESS my hand	and official	seal.
(SEAL)		otary Public
STATE OF CALIFORNIA CITY OF LOS ANGELES	) > ss. )	
0n		, 1986, between me, the under-
aigned, a Notary Publi	ic in and for	said State, personally appeared
	, known to	o me to be the
of E.F. HUTTON LIFE I	NSURANCE COM	PANY, a California corporation,
and known to me to be	the person	whose name is subscribed to the
within instrument and	acknowledge	that said person executed the
same on behalf of said	Corporation	1.
WITNESS my hand a	nd official	seal.

(SEAL)

Notary Public

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STATE OF CALIFORNIA ) (CITY OF LO2 ANGELES )	
On MAY 24, 1986	, 1986, before me, the under-
	d for said State, personally appeared ASSISTANT was to be the VICE PRESIDENT
*1	COMPANY, a California corporation,
within instrument and acknowledge	
same on behalf of said Corpor	
WITNESS my hand and offi (SEAL)	Modert Public Cachor
OFFICIAL SEAL LILLIAN B BACHOR NOTARY PUBLIC - CALIFORNIA	LILLIAN B. BAGYOT

LOS ANGELES COUNTY My comms. expires JUN 27, 1888

Property of Cook County Clerk's Office

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LOT A IN SCOTTSDALE FOURTH ADDITION BEING RAYMOND I. LUTGERTS
RESUBBLIVISION OF THE NORTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION
34, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN IN
COOK COUNTY, ILLINOIS, EXCEPT THAT PART OF SAID LOT "A" DEEDED TO THE
STATE OF ILLINOIS AND DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF
INTERSECTION OF THE PRESENT SOUTH LINE OF WEST 79TH STREET WITH THE
PRESENT EAST LINE OF SOUTH CICERO AVENUE, SAID POINT OF INTERSECTION
BEING DISTANT, 50 FEET SOUTH, MEASURED AT RIGHT ANGLES FROM THE NORTH

LINE OF SAID SECTION 34 AND ALSO DISTANT, 50 FEET EAST MEASURED AT RIGHT ANGLES FROM THE WEST LINE OF SECTION 34; THENCE EAST ALONG SAID SOUTH LINE OF MEST 79TH STREET, 64.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF A CINCLE CONCAVE TO THE SOUTH EAST, HAVING A RADIUS OF 50 FEET, A DISTANCE OF 78.54 FEET TO A POINT OF TANGENCY, DISTANT 14 FEET EAST MEASURED AT RIGHT ANGLES FROM SAID EAST LINE OF THE SOUTH CICERO AVENUE; THENCE SOUTH PARALLEL WITH SAID EAST LINE OF SOUTH CICERO AVENUE (TO WHICH THE LAST DESCRIBED CURVED LINE IS TANGENT) 271.50 FEET THENCE SOUTHWESTERLY IN A STRAIGHT LINE 428.73 FEET TO AN INTERSECTION WITH SAID EAST LINE OF SOUTH CICERO AVENUE; THENCE NORTH ALONG SAID EAST LINE OF SOUTH CICERO AVENUE; THENCE NORTH ALONG SAID EAST LINE OF SOUTH CICERO AVENUE, 750 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PTN 19 34 100 004 MA 0766

Address Tath & Cicero, Chienge Soutlease Corner

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ROBOX 33999 2003-3043 Fourth Mu

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Exhibit X

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