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Williams Sonoma

Old Orchard

95880669

Prudential Loan No. _____

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made and entered into this _____ day of _____, 1995, by and among WILLIAMS SONOMA INC., a California ("Tenant"), with a mailing address of 3250 Van Ness Avenue, San Francisco, California 94109, AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee under Trust Agreement dated June 1, 1993, and known as Trust No. 116914-09 ("Landlord") with a mailing address of 900 N. Michigan Avenue, Chicago, Illinois 60611-1957, and THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation ("Mortgagee"), with a mailing address of Suite 1400, Prudential Plaza, Chicago, Illinois 60601, Attention: Vice President, The Prudential Mortgage Capital Company, _____

DEPT-01 RECORDING \$35.50
T#6666 TRAN 4505 12/19/95 13:40:00
#7867 ÷ LM # -95-880669
COOK COUNTY RECORDER

WITNESSETH:

WHEREAS, Tenant has entered into a lease dated August 23, 1995 with Landlord, which demises certain premises described in said lease (the "Leased Premises") which constitute a portion of the real estate legally described in Exhibit "A" attached hereto and made a part hereof (the "Real Estate"); said lease together with any amendments or modifications thereof, whether now or hereafter existing shall be hereinafter referred to as the "Lease"); and

WHEREAS, Landlord has executed and delivered to Mortgagee a Mortgage (the "Mortgage"), encumbering the Real Estate to secure an indebtedness of One Hundred Sixty Million Dollars (\$160,000,000.00); and

WHEREAS, Mortgagee, as a condition to making the loan secured by said Mortgage to Landlord, has required the execution of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and in consideration of Ten Dollars (\$10.00) by each of the parties hereto paid to the other, receipt of which is hereby acknowledged, the parties do hereby covenant and agree as follows:

1. Tenant has delivered to Mortgagee concurrently herewith a true, correct and complete copy of the Lease. Landlord and Tenant each agree not to amend, modify or accept a termination of the Lease without the prior written consent of the Mortgagee and that no such amendment, modification or termination will be effective as against Mortgagee or its successors or assigns without such consent.

2. Tenant hereby confirms, as of the date hereof, that Tenant has received no notice of a prior sale, transfer, assignment, hypothecation, or pledge of the Lease or of the rents required to be paid by the terms of the Lease.

3. The Lease is and shall be subject and subordinate to the Mortgage and to all renewals, modifications, consolidations, replacements, and extensions therefor, to the full extent of the principal sum secured by the Mortgage, all interest accrued and from time to time unpaid thereon and any other amounts required to be paid by the terms of the Mortgage and the instruments secured thereby. Tenant will in no event subordinate or agree to subordinate the Lease to any lien or encumbrance affecting the Real Estate or the Leased Premises other than the Mortgage without the express written consent of Mortgagee, and any such attempted subordination or agreement to subordinate without such consent of Mortgagee shall be void and of no force and effect. Tenant shall provide Mortgagee with written notice of any defaults of Landlord under the Lease, which notices shall be sent in accordance with the provisions of Section 8 of this Agreement. Tenant shall not be entitled to terminate the Lease or to terminate or to avoid any covenant to operate its business which may be contained in the Lease, by reason of any default of Landlord under the Lease, unless (i) Tenant shall have given Mortgagee written notice of such default as aforesaid, and (ii) Mortgagee shall have failed to cure such default of Landlord within the

95880669 \$32.00

THIS DOCUMENT PREPARED BY AND UPON RECORDING RETURN TO:

BARNETT P. RUTTENBERG, P.C.
KATTEN MUCHIN & ZAVIS
525 W. MONROE, SUITE 1600
CHICAGO, IL 60661

ADDRESS OF THE PREMISES:
Store No. D _____

WILLIAMS SONOMA
113 OLD ORCHARD CENTER, SUITE D-13
SKOKIE, IL 60077
P.T.N. SEE ATTACHED

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times set forth below. Mortgagee shall have thirty (30) days following receipt of any such notice in which to cure such default; provided, that if it is reasonably necessary or prudent for Mortgagee to obtain possession of the Real Estate, obtain an order or approval of a court, or otherwise exercise Mortgagee's remedies against the Landlord in order to effect the cure of such default by Landlord under the Lease, and if Mortgagee shall commence and shall thereafter diligently pursue such remedies against the Landlord, Mortgagee shall have such additional time as is reasonably necessary to exercise such remedies, plus a period of thirty (30) days after the completion thereof, in which to effect such cure. Notwithstanding the foregoing, in the event that the Lease shall contain any covenants which, by their nature, can be performed only by Landlord (herein called "Personal Covenants"), and provided Mortgagee shall diligently exercise its remedies in accordance with the foregoing, any default by Landlord under any such Personal Covenants shall be deemed cured upon Mortgagee or any Transferee (as defined below) obtaining title to the Real Estate, and such Personal Covenants shall thereafter not be binding on Mortgagee or such Transferee. In addition, neither Mortgagee nor any Transferee shall be required, in order to cure any default by Landlord as described herein, to pay any claims for indemnification or for damages (other than payment of specified amounts expressly required to be paid by Landlord under the Lease) arising out of any default by Lessor, but the foregoing shall not limit Lessee's rights to pursue the Landlord named herein for such claims.

4. Tenant agrees that neither the occurrence of any default in the Mortgage, the institution of proceedings to foreclose the lien thereof, the taking of possession by Mortgagee or by any receiver appointed in any foreclosure proceedings, the entry of a foreclosure decree, the sale of the Real Estate pursuant to such decree, the issuance of a deed to the purchaser at any such sale nor the issuance of a deed of the Real Estate in lieu of foreclosure or in settlement of amount due under the Mortgage will affect any obligation of Tenant under said Lease. Tenant understands that Landlord has executed and delivered to Mortgagee an assignment of the Landlord's interests in the leases of the Real Estate, including the Lease. Under the terms of such assignment, Landlord has agreed that Tenant is entitled to rely on any notices or demands from Mortgagee to make payments to Mortgagee, without any liability or any duty of inquiry on the part of the Tenant regarding whether Landlord is in default under Mortgage. Accordingly, Tenant further agrees that upon receipt of written notice from Mortgagee of any uncured default by Landlord under the Mortgage or the Note secured by the Mortgage, all checks and payments for all or any part of the rentals and other sums payable by Tenant under the Lease shall be delivered to and drawn to the exclusive order of Mortgagee until Mortgagee or a court of competent jurisdiction shall otherwise direct.

5. In the event Mortgagee should foreclose the Mortgage, Mortgagee will not join Tenant as a party defendant in any foreclosure proceedings, unless Tenant is deemed to be a necessary party, for so long as Tenant is not in default under the Lease or this Agreement. In the event Tenant defaults under the Lease or this Agreement, the obligations of Mortgagee hereunder shall, at Mortgagee's election, become null and void, and Mortgagee may proceed to extinguish the Lease and all of Tenant's rights and interests in and to the Leased Premises through foreclosure of the Mortgage.

6. Tenant hereby agrees that any interest of Tenant in any insurance, condemnation or eminent domain proceeds or awards made with respect to the Real Estate, the Leased Premises or any interest in either of them shall be subordinate to the interests of Mortgagee in such proceeds or awards. Tenant will neither seek nor accept any insurance, condemnation or eminent domain proceeds or awards made with respect to the Real Estate, the Leased Premises or any interest in either of them until all amounts secured by the Mortgage have been paid in full. However, Tenant reserves the right to make a separate claim for trade fixtures and moving expenses if separately allocated.

7. So long as Tenant shall not be in default under the Lease, (a) Mortgagee shall not disturb Tenant's possession of the Leased Premises, and (b) in the event Mortgagee or any designee, successor, or purchaser of the Real Estate (or any portion thereof which shall include the Leased Premises) through foreclosure, deed in lieu of foreclosure, power of sale, any sale or plan of reorganization in bankruptcy, or other enforcement process (herein called a "Transferee") shall succeed to the interests of the Landlord under the Lease, (i) such occurrence shall be deemed to create direct privity of estate and contract between Tenant and such Mortgagee or Transferee (as the case may be), with the same force and effect as if the Lease had been made directly between Tenant and the

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Mortgagee or Transferee (as the case may be), subject only to the limitations contained in this Agreement, and (ii) Tenant shall make full and complete attornment to Mortgagee or such Transferee as the successor landlord under the Lease. In the event that Mortgagee or any Transferee shall, in accordance with the foregoing, succeed to the interest of Landlord under the Lease, Mortgagee and any such Transferee shall not be:

- (a) liable for any act or omission of any prior landlord (including Landlord);
- (b) obligated or liable to Tenant for any security deposit or other sums deposited with any prior landlord (including Landlord) under the Lease and not physically delivered to Mortgagee;
- (c) subject to any offsets, claims or defenses which Tenant might have against any prior landlord (including Landlord);
- (d) bound by any rent or additional rent which the Tenant might have paid for more than the current month to any prior landlord (including Landlord); or
- (e) bound by any amendment or modification of the Lease made without the consent of Mortgagee subsequent to the date hereof.

In addition, unless otherwise agreed in writing by Mortgagee or Transferee expressly for the benefit of Tenant, no obligations (financial or otherwise) upon the Landlord to (i) construct, or provide land for construction of, any physical improvements or (ii) pay any construction allowance (collectively, "Improvement Obligations") shall be binding upon Mortgagee or any Transferee upon acquisition of the Leased Premises through any foreclosure, conveyance in lieu of such foreclosure, or other similar exercise of the Mortgagee's remedies for default by Landlord under its Mortgage (collectively, "Mortgage Enforcement"), nor shall the Landlord's failure to perform such obligations result in any offsets against rent which would be binding upon such Mortgagee or any Transferee upon acquisition of the Leased Premises through any Mortgage Enforcement. If (a) Landlord shall fail to pay or perform when required under this Lease any Improvement Obligations, and (b) within thirty (30) days after the date on which Mortgagee or any Transferee shall obtain title to the Leased Premises as a result of any Mortgage Enforcement, Mortgagee or such Transferee either (x) has not paid or performed such Improvement Obligations or (y) to the extent that performance of any Improvement Obligations would reasonably require more than thirty (30) days to complete, has not expressly assumed in writing for the benefit of Tenant the obligation to perform those Improvement Obligations not performed by Landlord, then Tenant shall be entitled to terminate this Lease if Tenant would otherwise be entitled to do so pursuant to the Lease and any other agreement by Tenant for the benefit of Mortgagee. Nothing in this paragraph shall be construed to limit Tenant's right to assert claims or obtain remedies against the Landlord having originally failed to pay or perform such Improvement Obligations, if Tenant would otherwise be entitled to do so pursuant to the Lease and if such claims or remedies do not involve termination of this Lease (except in accordance with the foregoing), or offsets against rent payable to, or the assertion of claims against, any Mortgagee or Transferee (unless Mortgagee or such Transferee shall have assumed such Landlord's Improvement Obligations as provided above).

Notwithstanding anything herein to the contrary, Tenant shall have the right to offset any unpaid portion of the Allowance as provided in Rider Three of this Lease, except for the right to include interest on such unpaid portion of the Allowance.

8. All notices required or permitted by this Agreement shall be given by (i) hand-delivery, (ii) U.S. Registered or Certified Mail, return receipt requested, or (iii) nationally reputable overnight courier service, and shall be addressed to the recipient at the respective address specified in the opening paragraph of this Agreement. No notice shall be effective unless and until actually received.

9. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

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10/10/2010

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IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed the day and year first above written.

TENANT:

WILLIAMS SONOMA, INC., a California corporation

ATTEST:

By: Russell E. Solt
Name: Russell E. Solt
Title: Secretary

By: W. Howard Lester
Name: W. Howard Lester
Title: Chief Executive Officer

LANDLORD:

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but solely as Trustee under Trust Agreement dated June 1, 1993, and known as Trust No. 116914-09

ATTEST:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

MORTGAGEE:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation

ATTEST:

By: Leslie R. Desmond
Name: Leslie R. Desmond
Title: Asst. Secretary

By: Ali Ahmed Khan
Name: Ali A. Khan
Title: Vice President

LANDLORD:

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but solely as Trustee under Trust Agreement dated June 1, 1993, and known as Trust No. 116914-09

BY: EQUITY PROPERTIES AND DEVELOPMENT LIMITED PARTNERSHIP, an Illinois limited partnership, as agent for the beneficiaries of Landlord

By: SC MANAGEMENT, INC., an Illinois corporation
Its: General Partner

By: _____
Name: Sanford Shkolnik
Title: Chairman

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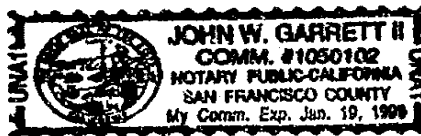
State of California)
) ss
County of San Francisco)

I, John W. Garrett, II, a Notary Public in and for said County, in the State aforesaid, do hereby certify that W. Howard Lester, CEO President of Williams-Sonoma, Inc., a ~~(*)~~ California corporation who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such CEO President, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 9th day of August, 1995.

John W. Garrett, II
Notary Public
John W. Garrett, II

My Commission Expires:
January 19, 1999

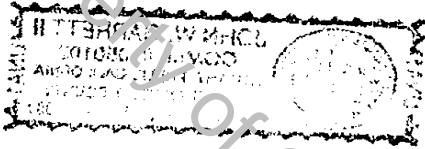


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State of Illinois)
County of Cook)

I, Thomas Patrick Kelly, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Sanford Shkolnik, Chairman of SC Management Inc., an Illinois corporation, the General Partner of Equity Properties and Development Limited Partnership, an Illinois limited partnership, as agent for Landlord, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Chairman, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 27th day of September, 1995.

Thomas Patrick Kelly
Notary Public

My Commission Expires:



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State of ILLINOIS)
) SS
County of COOK)

I, AZIZA HORTON, a Notary Public in and for said County in the State aforesaid, do hereby certify that AZIZ AHMED KHAN VICE President of The Prudential Insurance Company of America, a New Jersey corporation and LESLIE R. DESMOND ASSISTANT Secretary of said corporation, both personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such respective officers, appeared before me this day in person and acknowledged that they signed and delivered such instrument as their own free and voluntary acts and as the free and voluntary act of said corporation, for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal on this 10TH day of NOVEMBER, 19 95.

Aziza Horton
Notary Public



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LEGAL DESCRIPTION

PARCEL 1:

LOTS 1, 2, 3, 4, 6, 7, 9, 10, 12, AND 13 IN OLD ORCHARD RESUBDIVISION NO. 1 BEING A SUBDIVISION OF PART OF OLD ORCHARD SUBDIVISION, PART OF BLOCK 1 IN NILES CENTER HEIGHTS, AND BLOCKS 1, 2, AND A PART OF BLOCK 3 IN HARMSWOOD MANOR TOGETHER WITH VARIOUS VACATED STREETS AND ALLEYS THEREOF, IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LEASEHOLD ESTATE CREATED BY THE INSTRUMENT HEREIN REFERRED TO AS THE LEASE, EXECUTED BY THE VILLAGE OF SKOKIE (LESSOR) AND AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO AS TRUSTEE UNDER THE TRUST AGREEMENT DATED JUNE 1, 1993 AND KNOWN AS TRUST NUMBER 116914-09 (LESSEE) DATED AS OF MAY 8, 1995, A MEMORANDUM OF WHICH DATED AS OF MAY 8, 1995 WAS RECORDED ON MAY 10, 1995 AS DOCUMENT NUMBER 95307614 FOR A TERM OF YEARS ENDING APRIL 30, 2025, WITH ONE OPTION TO EXTEND FOR ANOTHER 25 YEARS OVER THE FOLLOWING DESCRIBED LAND:

LOT 8 IN OLD ORCHARD RESUBDIVISION NO. 1 BEING A SUBDIVISION OF PART OF OLD ORCHARD SUBDIVISION, PART OF BLOCK 1 IN NILES CENTER HEIGHTS, AND BLOCKS 1, 2, AND A PART OF BLOCK 3 IN HARMSWOOD MANOR TOGETHER WITH VARIOUS VACATED STREETS AND ALLEYS THEREOF, IN THE SOUTHEAST 1/4 OF SECTION 9, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

NON-EXCLUSIVE EASEMENTS FOR THE BENEFIT OF PARCELS 1, AND 2, AS CREATED AND CONTAINED IN ARTICLE 14 OF AMENDED AND RESTATED OPERATING AGREEMENT DATED AS OF AUGUST 24, 1994 AND RECORDED SEPTEMBER 16, 1994 AS DOCUMENT NUMBER 94811367 AS EXECUTED BY AND BETWEEN MARSHALL FIELD & COMPANY, A DELAWARE CORPORATION, AND AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 1, 1993 AND KNOWN AS TRUST NUMBER 116914-09, AS AMENDED BY FIRST AMENDMENT TO AMENDED AND RESTATED OPERATING AGREEMENT DATED AS OF MAY 8, 1995 AS RECORDED MAY 10, 1995 AS DOCUMENT NUMBER 95307611.

PERMANENT INDEX NUMBERS:

10-09-411-038-0000	10-09-411-057-0000
10-09-411-039-0000	10-09-411-058-0000
10-09-411-048-0000	10-09-411-059-0000
10-09-411-049-0000	10-09-415-041-0000
10-09-411-050-0000	10-09-423-030-0000
10-09-411-051-0000	10-09-423-039-0000
10-09-411-052-0000	10-09-423-040-0000
10-09-411-054-0000	10-09-423-041-0000
10-09-411-056-0000	10-09-423-042-0000
	10-09-423-043-0000

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