

This Instrument Prepared by
(and after recording, please mail to):
William S. McDowell, Jr.
Baker & McKenzie
130 East Randolph Drive
Chicago, Illinois 60601

766-0000-0227
Nov 0 2000 1:19 92

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

This Agreement made as of ^{Secured} ~~November 31~~, 1997, by and between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, having an office at 33 North LaSalle Street, Chicago, Illinois 60690 (hereinafter called "Lender"), pertaining to the loan hereinafter referred to, and THE BEDDING EXPERTS, INC., an Illinois corporation (hereinafter called "Tenant");

WITNESSETH

WHEREAS:

A. Lender did, or is about to make a loan to American National Bank and Trust Company of Chicago, not personally but as trustee under Trust Agreement dated November 10, 1987 and known as Trust No. 103992-02 ("Trustee") and Devon Lincoln L.L.C., an Illinois limited liability company, which is or will be secured by a Leasehold Construction Mortgage and Security Agreement (hereinafter called the "Mortgage") covering the leasehold estate in certain real property described in Exhibit "A", attached hereto and made a part hereof (hereinafter called the "Premises"), which was executed by Borrower as of ~~November 31~~, 1997, and recorded in Cook County, Illinois on Jan 12, 1997, as Document No. 98028325.

B. By written agreement dated August 15, 1997 (hereinafter called "Lease") Tenant has leased from Trustee a portion of the Premises for an initial term of four (4) years commencing when possession of the demised premises is delivered in accordance with the Lease; and

C. Tenant has agreed to acknowledge the subordination of the Lease to the lien of the Mortgage and Lender has agreed to grant non-disturbance to Tenant under the Lease;

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Tenant agrees that the Lease and all rights and interest of Tenant therein and in the Premises are now and at all times shall continue to be in all respects subject and subordinate to the lien of the Mortgage and to all renewals, modifications, consolidations, replacements and extensions thereof.

BOX 393-CTI

2. Lender, for itself and its successors and assigns, for any purchaser at a foreclosure sale under the Mortgage, for any transferee who acquires the Property by deed in lieu of foreclosure or otherwise, and for the successors and assigns of such purchaser and transferee (herein Lender and each such other party is called a "New Landlord"), hereby covenants and agrees with the Tenant, subject to the provisions of the next sentence, that if Lender or such other New Landlord shall commence any proceedings to foreclose the Mortgage for any reason whatsoever or shall succeed to the interest of Landlord by foreclosure, deed in lieu thereof or otherwise, provided Tenant is not then in default (after expiration of any applicable grace period) under the Lease, that: (a) Tenant shall not be named as a party defendant in any foreclosure action unless Tenant is deemed to be a necessary party; (b) the Lease shall, in accordance with its terms, remain in full force and effect as a direct indenture of lease between Lender or such New Landlord (as the case may be), and Tenant; and (c) Tenant's possession of the Leased Space and Tenant's rights, options, remedies, benefits and privileges under the Lease shall not be diminished, interfered with or disturbed by such Lender or such other New Landlord by such foreclosure under the Mortgage or by any such attempt to foreclose or to succeed to the interests of Landlord by foreclosure, deed in lieu thereof or otherwise. The provisions of the preceding sentence are limited by and subject to the condition that the New Landlord shall not be: (a) bound by any covenants of quiet enjoyment expressed or implied, except to the extent the same pertain to the acts of the New Landlord and those claiming by, under or through the New Landlord; (b) liable to Tenant for any action or omission of any other landlord under the Lease; or (c) required to account or be liable for any security deposits, or any other monies owing by or on deposit with any prior landlord to the credit of Tenant, which are not actually delivered to the New Landlord. In the event Lender or any other New Landlord shall succeed to the interest of Landlord under the Lease, all provisions of the Lease, including without limitation the exculpatory provisions of the Lease, shall apply to Lender or any other New Landlord, and, to the extent that such provisions refer to the landlord as a trustee of a land trust, such provisions shall be deemed amended so as to extend to the particular type of entity which Lender or such New Landlord constitutes. The limitation of liability provided in this paragraph is an addition to, and not in limitation of, any limitation on liability applicable to Lender or such other New Landlord provided by law or by any other contract, agreement or instrument signed by Tenant.

3. Tenant, for itself and its successors and assigns, agrees that it will attorn to and recognize any purchaser of the Property at a foreclosure sale under the Mortgage or any transferee who acquires the Property by deed in lieu of foreclosure or otherwise, and the successors and assigns of such purchaser or transferee, as its landlord for the unexpired balance (and any extensions or renewals, if previously, at that time or thereafter, exercised by Tenant) of the term of the Lease upon the same terms and conditions set forth in the Lease.

4. Tenant further agrees that it will not pay rent due under the Lease for more than thirty (30) days in advance, and will not, without Lender's prior written consent, which shall not be unreasonably withheld, enter into any agreement with the lessor under the Lease having the effect of amending any material provisions of or terminating the Lease. Tenant agrees that in the event the lessor under the Lease defaults in the performance of any obligations to be performed by the lessor, Tenant will notify Lender of such default, and Lender shall have the right, but not the obligation, for thirty (30) days after the expiration of the lessor's cure period, if any, to cure such default on behalf of the lessor.

5. Each notice, demand or other communication in connection with this Agreement shall be in writing and shall be deemed to be given to and served upon the addressee thereof on the earlier of (a) actual delivery to such addressee at its address set forth above; or (b) the second business day after the deposit thereof in the United States mails, registered or certified mail, return receipt requested, first class

postage prepaid, addressed to such addressee at its address set out above, in the case of Lender, and at the address of the Leased Space, in the case of Tenant.

6. The parties hereto agree that this Agreement may be recorded in the public records of the county in which the Premises are located.

7. This Agreement may be executed in any number of counterparts and by each of the undersigned on separate counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement.

8. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

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

AMERICAN NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

By: _____
Its: _____

THE BEDDING EXPERTS, INC.

By: [Signature]
Its: Assistant Secretary
REGISTERED SECRETARY

AMERICAN NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

By: [Signature]
Its: OFFICER

This instrument is to be recorded by the undersigned Lender and Trustee, and the undersigned Tenant, in the Public Records of Cook County, Illinois, in the name of the Lender and Trustee, and the undersigned Tenant, in the name of the Tenant.

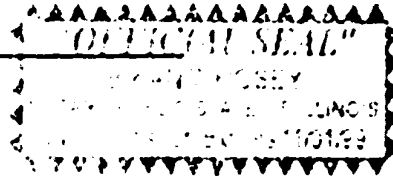
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STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this JAN 7 ¹⁹⁹⁸ day of August, 1997, by GABORNY S. KASPRZYK VICE PRESIDENT of American National Bank and Trust Company of Chicago, a national banking association, on behalf of said Bank.

[Signature]
Notary Public



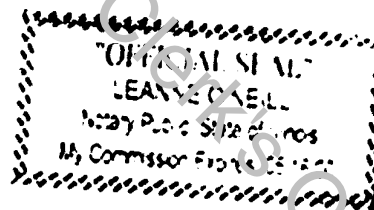
My commission expires:

STATE OF ILLINOIS)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this 12th day of August, 1997, by Salvatore J. Labbett of The Bedding Experts, Inc., an Illinois corporation.

[Signature]
Notary Public

My commission expires:



STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 12 day of January, 1998, by C. Michael Labbett of American National Bank and Trust Company of Chicago, a national banking association, on behalf of said Bank.

[Signature]
Notary Public

My commission expires:

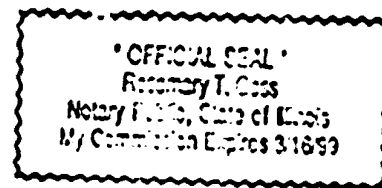


EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

PARCEL 1:

THAT PART OF THE NORTHEAST 1/4 OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE SOUTH LINE OF WEST DEVON AVENUE WITH THE NORTHEASTERLY LINE OF LINCOLN AVENUE; RUNNING THENCE EASTERLY ALONG THE SOUTH LINE OF DEVON AVENUE, 212 FEET TO A POINT; THENCE SOUTHERLY TO A POINT ON SAID NORTHEASTERLY LINE OF LINCOLN AVENUE WHICH IS 274 FEET SOUTHEASTERLY OF THE SAID POINT OF INTERSECTION OF THE SOUTH LINE OF WEST DEVON AVENUE AND THE NORTHEASTERLY LINE OF LINCOLN AVENUE; THENCE NORTHWESTERLY TO THE POINT OF INTERSECTION AT THE POINT OF BEGINNING, INCOOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF THE NORTHEAST 1/4 OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING ON THE NORTHEASTERLY LINE OF NORTH LINCOLN AVENUE AS WIDENED PER ORDINANCE PASSED MARCH 31, 1926, AT A POINT WHICH IS 274.00 FEET SOUTHEASTERLY OF THE POINT OF INTERSECTION OF SAID NORTHEASTERLY LINE OF NORTH LINCOLN AVENUE WITH THE SOUTH LINE OF WEST DEVON AVENUE AS WIDENED PER ORDINANCE PASSED APRIL 18, 1929; THENCE NORTHERLY 115.273 FEET (AS MEASURED ALONG A "LINE A" DRAWN THROUGH THE HEREIN DESCRIBED PLACE OF BEGINNING AND A POINT ON SAID SOUTH LINE OF WEST DEVON AVENUE WHICH IS 212.00 FEET EASTERLY OF SAID POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF NORTH LINCOLN AVENUE WITH THE SOUTH LINE OF WEST DEVON AVENUE) TO A LINE 60.00 FEET (MEASURED ALONG "LINE A") SOUTH OF AND PARALLEL WITH SAID SOUTH LINE OF WEST DEVON AVENUE; THENCE EAST 4.00 FEET ALONG SAID PARALLEL LINE; THENCE NORTHERLY 60.00 FEET ALONG A LINE PARALLEL WITH "LINE A" AFORESAID TO SAID SOUTH LINE OF WEST DEVON AVENUE; THENCE EAST 130.00 FEET ALONG SAID SOUTH LINE OF WEST DEVON AVENUE; THENCE SOUTHERLY 286.058 FEET ALONG A LINE PARALLEL WITH "LINE A" AFORESAID TO THE NORTHEASTERLY LINE OF NORTH LINCOLN AVENUE AFORESAID; THENCE NORTHWESTERLY 173.19 FEET ALONG SAID NORTHEASTERLY LINE OF NORTH LINCOLN AVENUE TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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