

THIS INSTRUMENT PREPARED BY AND WHEN RECORDED TO BE RETURNED TO:

Andrew P. Massmann
Sidley & Austin
One First National Plaza
Chicago, Illinois 60603
312/853-7572

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Tenant Name: Loews Chicago Cinemas, Inc., an Illinois corporation
Square Footage: Approximately 45,671

SUBORDINATION AND NON-DISTURBANCE AGREEMENT

THIS AGREEMENT made as of the 23rd day of January, 1998, by and between GMAC Commercial Mortgage Corporation, a California corporation, its successors and assigns, having an address at 650 Dresher Road, Horsham, Pennsylvania 19044 (the "Lender"), Loews Chicago Cinemas, Inc., an Illinois corporation, having an address at 711 Fifth Avenue, 11th Floor, New York, New York 10022-3109 (the "Tenant"), and LaSalle National Bank, as Trustee under Trust Agreement dated May 1, 1993 and known as Trust Number 117926, having an address at 135 South LaSalle Street, Chicago, Illinois, 60603 (the "Landlord");

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WITNESSETH:

WHEREAS the Tenant is the current Tenant under that certain Lease dated April 23, 1987, as amended (the "Lease"), between American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement dated December 1, 1985 and known as Trust Number 66007 (the "Original Landlord") and River Run Theaters, Inc., formerly known as Landings Theaters, Inc. (the "Original Tenant"), which Lease covers the premises known as Loews River Run Theater (the "Demised Premises") located at the real property at 16621 Torrence Avenue, Lansing, Illinois being more particularly described on Exhibit A attached hereto (hereinafter referred to as the "Property"); and

WHEREAS the Lender is making a permanent loan to Landlord, the successor in interest to the Original Landlord, (the "Loan") to be secured by a certain Mortgage, Assignment of Rents, and Security Agreement executed or to be executed by Landlord, covering the Property (hereinafter referred to as the "Instrument"); and

WHEREAS the Lender shall consummate a Loan transaction to be secured by the Instrument provided that the Lease is subordinated to the lien of the Instrument; and

WHEREAS the Tenant desires to be assured of continued occupancy of the Demised Premises under the terms of said Lease and subject to the terms of the Instrument; and

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the receipt of which is hereby acknowledged, it is agreed as follows:

1. SUBORDINATION.

The Lease, as the same may heretofore and hereafter be modified, amended or extended, and all rights and options of the Tenant thereunder, are and shall be subject, subordinate and interior to the lien of the Instrument and to each and every advance made or hereafter made under the Loan.

2. NON-DISTURBANCE:

Lender agrees that so long as Tenant is not in default in the payment of rent or in the performance of any of the other terms of the Lease or of this Agreement, beyond any applicable grace or cure period, Tenant's occupancy of the Demised Premises will not be disturbed by Lender in the event of a foreclosure of such lien, and Tenant will not be named as a party defendant in any such foreclosure proceeding unless Lender deems the same necessary or a court of competent jurisdiction finds Tenant to be a necessary party, and that if named as such no judgment or foreclosure will be enforced against Tenant.

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3. ATTORNMENT

Without limitation of any of the provisions of the Lease, in the event that, by reason of any default on the part of the Landlord, Lender shall succeed to the interest of the Landlord, then, subject to the provisions of this Agreement, the Lease shall nevertheless continue in full force and effect and the Tenant shall attorn to Lender and shall recognize Lender as its landlord. In the event Lender shall give Tenant notice of such an event of default, Tenant shall thereafter pay all rents directly to Lender, and Tenant consents to Lender receiving such rents. Upon request of Lender, the Tenant shall execute and deliver to Lender a separate agreement of attornment. Nothing herein contained shall be construed, however, to obligate Lender to cure any default by the Landlord under the Lease occurring prior to any date on which Lender shall succeed to the rights of the Landlord, it being expressly agreed that under no circumstances shall Lender be obligated to remedy any such default.

Landlord

4. SQUARE FOOTAGE:

Notwithstanding any provisions of the Lease, Landlord and Tenant hereby agree and acknowledge that the Property consists of approximately forty five thousand six hundred and seventy one (45,671) rentable square feet, and rent payable by Tenant under the Lease has been and shall continue to be determined on the basis of such square footage.

5. LIMITATION OF LIABILITY:

(a) The Tenant understands and acknowledges that (a) Landlord shall execute or has executed a conditional assignment of the Lease and other leases in favor of the Lender as part of the security for the Loan; (b) notwithstanding said assignment, all rental, additional rental and other payments due under the Lease shall continue to be paid in accordance with the terms of the Lease until and unless Tenant is notified to the contrary in writing by Lender; and (c) the interest of the Landlord in the Lease shall be or has been assigned to Lender solely as additional security for the Loan and Lender assumes no duty, liability or obligation under the Lease, either by virtue of said assignment, the exercise thereof or by any subsequent receipt or collection of rental, additional rental or any other sums due thereunder.

(b) If Lender shall succeed to the interest of the Landlord, Lender shall have no personal liability as successor to the Landlord, and the Tenant shall look only to the estate and property of Lender in the Property or the proceeds thereof for the satisfaction of the Tenant's remedies (or the collection of a judgment for other judicial process) requiring the payment of money in the event of any default by Lender as landlord under the Lease. No other property or assets of Lender shall be subject to levy, execution or other enforcement procedure for the satisfaction of the Tenant's remedies under or with respect to the Lease, the relationship of the landlord and the tenant thereunder or the Tenant's use or occupancy of the Demised Premises.

(c) No prepayment of rent or additional rent due under the Lease of more than one (1) month in advance shall be binding upon Lender, as holder of the instrument or as landlord under the Lease if Lender succeeds to that position, unless consented to in writing by Lender, and no amendment, modification, surrender or cancellation of the Lease shall be binding upon Lender, as holder of the instrument or as landlord under the Lease if Lender succeeds to that position, unless such amendment, modification, surrender or cancellation is consented to in writing by Lender. In addition, Lender, as holder of the instrument or as landlord under the Lease if it succeeds to that position, shall in no event (a) be liable to the Tenant for any act or omission of any prior landlord, but only for any act or omission of Lender as landlord, under the Lease occurring after the date Lender takes title to the Property; (b) be subject to any offset or defense which the Tenant might have against any prior landlord; (c) be liable to the Tenant for any liability or obligation of any prior landlord occurring prior to the date that Lender takes title to the Property or any subsequent owner acquires title to the Property, but only for any liability or obligations caused by Lender's breach of the Lease after the date Lender takes title to the Property or (d) be liable to the Tenant for any security or other deposits given to secure the performance of the Tenant's obligations under the Lease, except to the extent that Lender shall have acknowledged actual receipt of such security or other deposits in writing.

6. NOTICES

The Tenant shall give Lender copies of all notices and other communications given by the Tenant to the Landlord relating to (a) defaults on the part of the Landlord or the Tenant under the Lease, (b) any violations of any ordinances, statutes, laws, rules, codes, regulations or requirements of any governmental agency concerning the Demised Premises or the Property, and (c) any assignment or subletting of all or any portion of the Demised Premises. In the event of any act or omission by the Landlord which would give the Tenant the right, either immediately or after the lapse of a period of time, to terminate the Lease, or to claim a partial or total eviction, the Tenant will not exercise any such right (i) until it has sent written notice of such act or omission to Lender as provided herein, and (ii) unless Lender shall have failed within thirty (30) days after receipt of such notice to cure such default; and the expiration of Landlord cure period if any, or if such default cannot be cured within such period, Lender shall not have commenced within such thirty (30) days and thereafter diligently pursued any action necessary to cure such default. All notices and other communications by Tenant to Lender shall be sent by certified or registered mail to Lender at the address set forth above, or to such other address or person as may be specified in a notice sent by Lender to Tenant at the address set forth in the Lease in accordance with the provisions of this Section 5, and shall be deemed given on the third (3rd) business day after being deposited with the United States Postal Service.

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RIDER ATTACHED TO AND MADE A PART OF DOCUMENT DATED
1-20-98 UNDER TRUST NO. 11 7926

This instrument is executed by LA SALLE NATIONAL BANK, not personally but solely as trustee, as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such trustee. All the terms, provisions, stipulations, covenants and conditions to be performed by LA SALLE NATIONAL BANK, are undertaken by it solely as trustee, as aforesaid, and not individually and all statements herein made are made on information and belief and are to be construed accordingly, and no personal liability shall be asserted or be enforceable against LA SALLE NATIONAL BANK, by reason of any of the terms, provisions, stipulations, covenants and/or statements contained in this instrument.

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Property of Cook County Clerk's Office

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7. SUCCESSORS AND ASSIGNS:

This Agreement shall apply to, bind and inure to the benefit of the Lender and the Tenant and their respective successors and assigns. As used herein, the term "Tenant" shall mean and include the present tenant under the Lease, any permitted subtenant under the Lease, any permitted assignee of Tenant under the Lease and any successor of any of them. The term "Lender" as used herein shall include the current holder of the instrument, Citicorp Real Estate, Inc., the successors and assigns of Lender or Citicorp Real Estate, Inc., and any person, party or entity which shall become the owner of (a) the Property by reason of a foreclosure of the instrument; or the acceptance of a deed or assignment in lieu of foreclosure or otherwise and/or (b) the Loan and instrument; provided, however, any party listed herein as included in the definition of "Lender" shall only be liable for any acts, omissions, liabilities or obligations of that particular party and not for any such matters of any other party included in the definition of "Lender". The term "Landlord" as used herein shall mean and include the present landlord under the Lease and such landlord's predecessors and successors in interest under the Lease.

TENANT:

Loews Chicago Cinemas, Inc.,
an Illinois corporation

By: 

Print: Seymour H. Smith

Title: Executive Vice President

LANDLORD:

LaSalle National Bank, as Trustee under Trust Agreement dated
May 1, 1993 and known as Trust Number 117926

By: 

Print: _____

Title: _____

LENDER:

GMAC Commercial Mortgage Corporation,
a California corporation

By: 

Print: Jerome R. Reiss

Title: Senior Vice President

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STATE OF NEW YORK)
COUNTY OF NEW YORK)

On the 6th day of January, 1998, before me personally came Seymour H. Smith, to me known, who, being by me duly sworn, did depose and say that she resides at 140-10 84th Drive, Jamaica, New York 11435; that he is the Executive Vice President of Loews Chicago Cinemas, Inc., the corporation described in and which executed the above instrument; and that he signed his name thereto by order of the board of directors of said corporation.

Vicenia Gomez
NOTARY PUBLIC

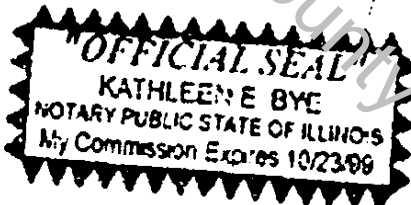
VICENIA GOMEZ
Notary Public, State of New York
No. 01G05065389
Qualified in New York County
Commission Expires September 23, 1998

STATE OF NY)
COUNTY OF NEW YORK) ss.

The foregoing instrument was acknowledged by me this 22 day of January, 1998, by Seymour H. Smith of LaSalle National Bank, as Trustee under Trust Agreement dated May 1, 1993 and known as Trust Number 117926, on behalf of said Trust.

My commission expires: 10/23/98

Vicenia Gomez
Notary Public

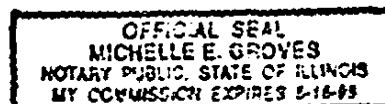


STATE OF Illinois)
COUNTY OF Cook) ss.

The foregoing instrument was acknowledged by me this 20th day of January 1998, by Walter P. Brown the President of GMAC Commercial Mortgage Corporation, a California corporation, on behalf of said corporation.

My commission expires: 5/16/98

Walter P. Brown
Notary Public



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EXHIBIT A
Mortgaged Property

LOT 2 IN THE LANDINGS PHASE III, BEING A SUBDIVISION OF PART OF THE WEST 1/2 OF SECTION 19, TOWNSHIP 36 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS ACCORDING TO THE PLAT THEREOF RECORDED JUNE 6, 1989 AS DOCUMENT 88243895.

P.I.N. 30-19-300-035

ADDRESS:

16521 TORRENCE AVENUE
LANSING, ILLINOIS 60438

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