

PREPARED BY AND
WHEN RECORDED MAIL TO:
BLOCKBUSTER VIDEOS, INC.
8320 S. MADISON
BURR RIDGE, IL 60521
ATTN: CINDY FINAN
LEASE ADMINISTRATION
(312) 654-0004

DEMISED PREMISES:
BLOCKBUSTER VIDEO #1/3/96
PLAZA DEL LAGO
1601 TENTH STREET
WILMETTE, IL 60091

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT, is made this 3rd day of December, 1997 by Blockbuster Videos, Inc., a Delaware corporation having its principal office and place of business located at 1201 Elm Street, Dallas, Texas 75270 ("Tenant"), and State Street Bank and Trust Company, as Indenture Trustee under Indenture dated as of December 17, 1996 with an address c/o John Hancock Mutual Life Insurance Company, as Servicer, 200 Clarendon Street, John Hancock Place, P.O. Box 111, Boston, MA 02117 ("Lender"), with reference to the following facts:

RECITALS

A. On ~~September 21, 1997~~ ^{December 21, 1997}, Joseph Moss d/b/a Plaza Del Lago ("Landlord") and Tenant entered into a certain lease covering certain space ("Premises") in the building located at Plaza Del Lago, which property is more particularly described in the Mortgage (as hereinafter defined) ("Property");

B. On September 29, 1995, John Hancock Mutual Life Insurance Company ("Hancock") granted a loan ("Loan") to Landlord, which Loan is evidenced by a note and secured, inter alia, by a first lien instrument covering the property and upon the terms and conditions described therein, which has been recorded in the Official Records of Cook County, IL as Doc. No. 95671684 on October 3, 1995 (said instrument and all amendments, modifications, renewals, substitutions, extensions, consolidations and replacements thereto and thereof, as applicable, are hereinafter collectively referred to as "Mortgage"). Hancock assigned the Mortgage to The Bank of New York, as Owner Trustee of REIG Commercial Mortgage Funding Trust II under Trust Agreement dated as of December 1, 1996 ("Owner Trustee"), and the Owner Trustee has assigned the Mortgage to Lender. Hancock is acting as Servicer of the Loan under Servicing Agreement dated as of December 17, 1996 between Hancock, Lender and Owner Trustee;

C. Tenant has requested of Landlord and Lender that this Agreement be executed.

D. Whereas Lender desires that (i) the Mortgage be and remain at all times a first lien or charge upon the Property prior and superior to the Lease; (ii) Tenant specifically subordinate the Lease to the lien or charge of the Mortgage and (iii) Tenant attorn to Lender and its successors and assigns in the event of the foreclosure or other proceeding to enforce the Mortgage;

S/Y
P/P
n-
m/y

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E. Whereas Tenant desires to assure Tenant's possession and control of the Premises under the Lease upon the terms and conditions therein and herein contained.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce Lender to enter into this Agreement, Lender and Tenant hereby agree as follows:

1. Subordination. Tenant confirms that the Lease and any extensions, renewals, replacements, consolidations or modifications thereof, and all the right, title and interest of the Tenant in and to the Premises, and all rights of the Tenant thereunder, are and shall be subject and subordinate to the Mortgage and the lien thereof.

2. Lender's Exercise of Remedies. In the event of (a) the institution of any foreclosure, trustee's sale or other like proceeding, (b) the appointment of a receiver for the Landlord or the Property, (c) the exercise of rights to collect rents under the Mortgage or an assignment of rents, (d) the recording by Lender or its successor or assignee of a deed in lieu of foreclosure for the Property, or (e) any transfer or abandonment of possession of the Property to Lender or its successor or assignee in connection with any proceedings affecting Landlord under the Bankruptcy Code, 11 U.S.C. § 101 et seq. (any such foreclosure, recording of a deed in lieu of foreclosure, or transfer or abandonment of the Property referred to in the preceding clauses (a) through (e) is hereinafter called a "Transfer", and Lender or any successor or assignee of Lender taking title to the Property in connection with a Transfer is hereinafter called the "Transferee"), such Transferee shall not: (i) be liable for any damages (including, without limitation, consequential damages) or other relief or be subject to any offsets, defenses or counterclaims of any kind attributable to any event, act omission or default under the Lease, including, but not limited to, a breach of any representation or warranty under the Lease, of Landlord or any prior landlord under the Lease, except for any continuing event, act or omission of which Lender has been provided notice as described in Paragraph 4 below, and if any such offset or defense is expressly provided for in the Lease, (ii) be bound by any prepayment by Tenant of more than one month's installment of rent unless such prepayment is expressly required in the Lease or has been specifically approved in writing by Lender, or be liable or responsible for any security deposit or other sums which Tenant may have paid under the Lease unless such deposit or other sums have been physically delivered to Transferee, (iii) be bound by any modification or amendment of the Lease, or any waiver of any terms of the Lease unless the same shall have been approved in writing by Lender, (iv) be bound by any restriction on competition which extends beyond the physical boundaries of the Property, or (v) be responsible for providing to Tenant any additional space at the Property or elsewhere, other than as set forth in the Lease.

3. Attornment and Non-Disturbance. Except as set forth in Paragraph 2 above, provided (a) Tenant complies with this Agreement, (b) Tenant is not in default under the terms of the Lease beyond any applicable period of cure and no event has occurred which, with the passage of time or the giving of notice or both, would constitute a default under the Lease, and (c) the Lease is in full force and effect, no default under the Mortgage and no proceeding to foreclose the same will disturb Tenant's possession under the Lease and the Lease will not be affected or cut off thereby, and notwithstanding any such foreclosure or other Transfer of the Property to Transferee, Transferee will recognize the Lease and will accept the attornment of Tenant thereunder.

Tenant shall attorn to Transferee, including Lender if Lender becomes a Transferee, as the landlord under the Lease. Said attornment is subject to the limitation of Transferee's obligations set forth in Paragraph 2 above and shall be effective and self-operative without the execution of any further instruments upon Transferee's succeeding to the interest of the

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landlord under the Lease. Tenant and Lender shall, however, confirm the provisions of this paragraph in writing upon request by either of them.

4. Lender's Right to Cure. Notwithstanding anything to the contrary in the Lease or this Agreement, Tenant shall provide Lender with written notice of any default of Landlord under the Lease if such default is of such a nature as to give the Tenant a right to terminate the Lease, to reduce rent thereunder or to credit or offset any amounts against future rents, and will not seek to terminate the Lease or claim a partial or total eviction until giving such notice and providing Lender a period of thirty (30) days beyond the time available to Landlord under the Lease in which to cure the breach or default by Landlord, provided, however, as to any breach or default by Landlord the cure of which requires possession and control of the Property or Premises, Lender's cure period shall continue for such additional time as Lender may reasonably require to either obtain possession and control of the Property or Premises and thereafter cure the breach or default with reasonable diligence, or obtain the appointment of a receiver pursuant to any court proceeding, or otherwise, and give such receiver a reasonable period of time in which to cure the default. Lender shall have no obligation to cure (and shall have no liability or obligation for not curing) any breach or default by Landlord, except to the extent that Lender agrees otherwise in writing.

5. Miscellaneous.

(a) This Agreement shall inure to the benefit of the parties hereto, their successors and assigns; provided, however, that in the event of the assignment or transfer of the interest of Transferee, all obligations and liabilities of Transferee under this Agreement shall terminate, and thereupon all such obligations and liabilities shall be the responsibility of the party to whom Transferee's interest is assigned or transferred; and provided further that the interest of Tenant under this Agreement may not be assigned or transferred except to the extent the assignment of Tenant's interest in the Lease is permitted under the Lease.

(b) Tenant acknowledges that it has notice that the Lease and the rent and all other sums due thereunder have been assigned to the Lender as part of the security for the note secured by the Mortgage and upon written notice from Lender of a default under the Mortgage, Tenant shall pay its rent and all other sums due under the Lease directly to Lender, and Landlord, by its execution hereof, hereby directs Tenant to make such payment to Lender. Landlord and Lender hereby agree that Tenant shall be credited for any payment made pursuant to such notice.

(c) Tenant acknowledges and agrees that it shall not terminate the Lease in the event of a default by Landlord unless Tenant provides Lender written notice and an opportunity to cure as described in Paragraph 4 above. In the event such right is expressly set forth in the Lease, Tenant shall pay to Lender any and all termination fees or other consideration to be paid to Landlord in connection with such termination or cancellation and Landlord, by its execution hereof, hereby directs Tenant to make such payments or provide such other consideration to Lender.

(d) Tenant covenants and acknowledges that it has no right or option of any nature whatsoever, whether pursuant to the Lease or otherwise, to purchase the Property or the real property of which the Property is a part, or any portion thereof or any interest therein and to the extent that Tenant has had, or hereafter acquires any such right or option, the same is hereby acknowledged to be subject and subordinate to the Mortgage and is hereby waived and released as against Transferee.

(e) Anything herein or in the Lease to the contrary notwithstanding, in the event that Transferee shall acquire title to the Property, Transferee shall have no obligation, nor incur

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any liability, beyond Transferee's then interest in the Property, and Tenant shall look exclusively to such interest of Transferee in the Property for the payment and discharge of any obligations imposed upon Transferee hereunder or under the Lease, or otherwise, subject to the limitation of Transferee's obligations provided for in Paragraph 2 above.

(f) This Agreement is the whole and only agreement between the parties hereto with regard to the subordination of the Lease to the lien or charge of the Mortgage. This Agreement may not be modified in any manner or terminated except by an instrument in writing executed by the parties hereto.

(g) This Agreement shall be deemed to have been made in the state where the Property is located and the validity, interpretation and enforcement of this Agreement shall be determined in accordance with the laws of such state.

(h) In the event any legal action or proceeding is commenced to interpret or enforce the terms of, or obligations arising out of, this Agreement, or to recover damages for the breach thereof, the party prevailing in any such action or proceeding shall be entitled to recover from the non-prevailing party all reasonable attorneys' fees, costs and expenses incurred by the prevailing party.

(i) Any notices or communications required or permitted to be given or made hereunder shall be deemed to be so given or made when in writing and delivered in person or sent by United States registered or certified mail, postage prepaid, or by nationally recognized overnight courier service, directed to the parties at the following addresses or such other addresses as they may from time to time designate in writing:

Lender: John Hancock Mutual Life Insurance Company, as Servicer
Real Estate Investment Group
Attention: Mortgage Investments, T-52
John Hancock Place
P. O. Box 111
Boston, MA 02117
Reference Loan No. 6516557 (REMIC)

Tenant: Blockbuster Videos, Inc.
1201 Elm Street
Dallas, TX 75270
Real Estate/ Legal Dept.

Notices or communications mailed in the U.S. mail shall be deemed to be served on the third business day following mailing, notices or communication served by hand or by overnight courier shall be deemed served upon receipt.

(j) Said Mortgage shall not cover or encumber and shall not be construed as subjecting in any manner to the lien thereof any of Tenant's improvements or trade fixtures, furniture, equipment or other personal property at any time placed or installed in the Demised Premises by Tenant at Tenant's expense. In the event the Property, or any part, thereof shall be taken for public purposes by condemnation or transfer in lieu thereof or the same are damaged or destroyed, the rights of the parties to any condemnation award or insurance proceeds shall be determined and controlled by the applicable provisions of the Loan Documents, except that Tenant may bring a separate action seeking a separate award for the items set forth on Article XX of the Lease as long as such separate award does not impair or diminish Landlord or Lender's claim or award.

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(k) Tenant shall not be enjoined as a party/defendant in any action or proceeding which may be instituted or taken by reason or under any default by Landlord in the performance of the terms, covenants, conditions and agreements set forth in the Loan Documents unless required by applicable local law to exercise Lender's rights under the Loan Documents.

The parties hereto represent and warrant that their respective signatories to this Agreement have been duly authorized by the Tenant, Landlord and Lender, as applicable.

IN WITNESS WHEREOF, this Agreement has been signed and delivered as of the date and year first above set forth.

TENANT: BLOCKBUSTER VIDEOS, INC.

By: [Signature]
Its: Brent L. Moody,
duly authorized President &
Assistant General Counsel

LENDER:

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, a Massachusetts corporation, as Servicer under Servicing Agreement dated as of December 17, 1996 between such corporation, The Bank of New York, as Owner Trustee of REIG Commercial Mortgage Funding Trust II under Trust Agreement dated as of December 1, 1996 and State Street Bank and Trust Company, as Indenture Trustee under Indenture dated as of December 17, 1995.

By: [Signature]
Its: Servicing Officer and Assistant
Treasurer, duly authorized

As to Paragraphs 5(b) and (c):

LANDLORD:
JOSEPH MOSS, D/B/A PLAZA DEL LAGO

By: [Signature]
duly authorized

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STATE OF ILLINOIS)
)
COUNTY OF COOK) ss.

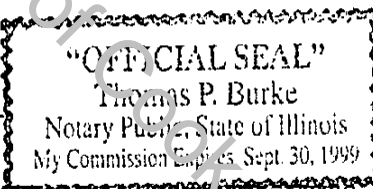
On this 22nd day of December, 1997, before me, the undersigned, a Notary Public in and for the said STATE, residing therein, duly commissioned and sworn, personally appeared JOSEPH MOS, to me personally known, who by me duly sworn, did say that he/she is a LIMBLED of LAZAR DEZ LAGO, [that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors] and as the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County the day and year in this certificate first above written.

Thomas P. Burke

Notary Public in and for said STATE + COUNTY

My commission expires _____



THE COMMONWEALTH OF MASSACHUSETTS)
) ss.
COUNTY OF SUFFOLK)

On this third day of Decemb., 1997 before me, the undersigned, a Notary Public in and for the said Commonwealth, residing therein, duly commissioned and sworn, personally appeared Ronald E. Poch, to me personally known, who by me duly sworn, did say that he/she is a Asst. Treas. & Serv. Off. of John Hancock Mutual Life Insurance Company, as Servicer, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation, as Servicer, by authority of its Board of Directors and as the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County the day and year in this certificate first above written.

Josephine M. White
Notary Public in and for said Commonwealth

My commission expires:

JOSEPHINE M. WHITE
Notary Public
My Commission Expires
February 21, 2003

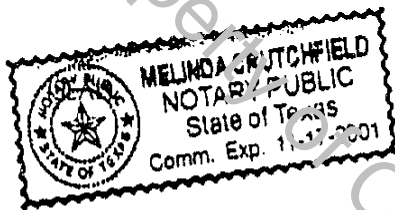
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State of Texas)
) SS:
County of Dallas)

On this 8th day of January, 19 98, before me, the undersigned Notary Public in and for said County and State, personally appeared BRENT L. MOODY, as VICE PRESIDENT and ASSISTANT GENERAL COUNSEL, who executed the foregoing instrument on behalf of said corporation for the purposes therein expressed. He is personally known to me and did not take an oath. In witness whereof, I have hereunto set my hand and official seal the day and year last above written.

Melinda Crutchfield
Notary Public for the State of Texas



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LEGAL DESCRIPTION

LOTS 1, 2, 3, 4, 5, 6 AND 7 POUFAS STEFAN RESUBDIVISION OF PART OF THE EAST ½ OF FRACTIONAL SECTION 27, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

TAX I.D. NUMBERS:

05-27-201-028
05-27-201-029
05-27-201-031
05-27-201-032
05-27-201-033
05-27-201-034
05-27-201-035
05-27-201-036

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