

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT**

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") made as of the 31 day of March, 1998, by and among Nomura Asset Capital Corporation ("Lender"), Executive Greetings, Inc. ("Tenant") and Academy Drive, L.L.C. ("Landlord").

WITNESSETH:

WHEREAS, Lender has agreed to make a loan (the "Loan") of up to \$3,755,000 to Landlord;

WHEREAS, the Loan will be evidenced by a mortgage note (the "Note") of even date herewith made by Landlord to order of Lender and will be secured by, among other things, a mortgage, assignment of leases and rents and security agreement (the "Mortgage") of even date herewith made by Landlord to Lender covering the land (the "Land") described on Exhibit A attached hereto and all improvements (the "Improvements") now or hereafter located on the land (the Land and the Improvements hereinafter collectively referred to as the "Property"); and

WHEREAS, by a lease dated as of February 6, 1997 (which lease, as the same may have been amended and supplemented, is hereinafter called the "Lease"), Landlord leased to Tenant approximately 18,560 square feet of space located in the Improvements (the "Premises"); and

WHEREAS, the parties hereto desire to make the Lease subject and subordinate to the Mortgage/Deed of Trust.

NOW, THEREFORE, the parties hereto, in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agree as follows:

1. The Lease, as the same may hereafter be modified, amended or extended, and all of Tenant's right, title and interest in and to the Premises and all rights, remedies and options of Tenant under the Lease, are and shall be unconditionally subject and subordinate to the Mortgage/Deed of Trust and the lien thereof, to all the terms, conditions and provisions of the Mortgage/Deed of Trust, to each and every advance made or hereafter made under the Mortgage/Deed of Trust, and to all renewals, modifications, consolidations, replacements, substitutions and extensions of the Mortgage/Deed of Trust, so that at all times the Mortgage/Deed of Trust shall be and remain a lien on the Property prior and superior to the Lease for all purposes; provided, however, and Lender agrees, that so long as Tenant is not in default under the terms of the Lease, Tenant's leasehold estate under the Lease shall not be terminated, Tenant's possession of the Premises shall not be disturbed by Lender and Lender

Box 416
Bud Balsom



will accept the attornment of Tenant.

2. Notwithstanding anything to the contrary contained in the Lease, Tenant hereby agrees that in the event of any act, omission or default by Landlord or Landlord's agents, employees, contractors, licensees or invitees which would give 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, or to reduce the rent payable thereunder or credit or offset any amounts against future rents payable thereunder, Tenant will not exercise any such right (i) until it has given written notice of such act, omission or default to Lender by delivering notice of such act, omission or default, in accordance with Paragraph 8 hereof, and (ii) until a period of not less than fifty (50) days for remedying such act, omission or default shall have elapsed following the giving of such notice. Notwithstanding the foregoing, in the case of any default of Landlord which cannot be cured within such fifty (50) day period, if Lender shall within such period proceed promptly to cure the same (including such time as may be necessary to acquire possession of the Premises if possession is necessary to effect such cure) and thereafter shall prosecute the curing of such default with diligence, then the time within which such default may be cured by Lender shall be extended for such period as may be necessary to complete the curing of the same with diligence. Lender's cure of Landlord's default shall not be considered an assumption by Lender of Landlord's other obligations under the Lease. Unless Lender otherwise agrees in writing, Landlord shall remain solely liable to perform Landlord's obligations under the Lease (but only to the extent required by and subject to the limitation included with the Lease), both before and after Lender's exercise of any right or remedy under this Agreement. If Lender or any successor or assign becomes obligated to perform as Landlord under the Lease, such person or entity will be released from those obligations when such person or entity assigns, sells or otherwise transfers its interest in the Premises or the Property, provided such successor or assign assumes the obligations.

3. Without limitation of any of the provisions of the Lease, in the event that Lender succeeds to the interest of Landlord or any successor to Landlord, then subject to the provisions of this Agreement including, without limitation, Paragraph 1 above, the Lease shall nevertheless continue in full force and effect and Tenant shall and does hereby agree to attorn to and accept Lender and to recognize Lender as its Landlord under the Lease for the then remaining balance of the term thereof, and upon request of Lender, Tenant shall execute and deliver to Lender an agreement of attornment reasonably satisfactory to Lender.

4. If Lender succeeds to the interest of Landlord or any successor to Landlord, in no event shall Lender have any liability for any act or omission of any prior landlord under the Lease which occurs prior to the date Lender succeeds to the rights of Landlord under the Lease, nor any liability for claims, offsets or defenses which Tenant might have had against Landlord, provided, however, Lender shall not be relieved from performing all of Landlord's obligations under the Lease. In no event shall Lender have any personal liability as successor to Landlord and Tenant shall look only to the estate and property of Lender in the Land, the Lease and the Improvements for the satisfaction of Tenant's remedies for the collection of a judgment (or other

judicial process) requiring the payment of money in the event of any default by Lender as Landlord under the Lease, and no other property or assets of Lender shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to the Lease.

5. Tenant agrees that no prepayment of rent or additional rent due under the Lease of more than one month in advance, and no amendment, modification, surrender or cancellation of the Lease, and no waiver or consent by Landlord under the terms of the Lease, shall be binding upon or as against Lender, as holder of the Mortgage/Deed of Trust, and as Landlord under the Lease if it succeeds to that position, unless consented to in writing by Lender. In addition, and notwithstanding anything to the contrary set forth in this Agreement, Tenant agrees that Lender, as holder of the Mortgage/Deed of Trust, and as Landlord under the Lease if it succeeds to that position, shall in no event have any liability for the performance or completion of any initial work or installations or for any loan or contribution or rent concession towards initial work, which are required to be made by Landlord (A) under the Lease or under any related Lease documents or (B) for any space which may hereafter become part of said Premises, and any such requirement shall be inoperative in the event Lender succeeds to the position of Landlord prior to the completion or performance thereof, unless Lender has consented to same in writing. Tenant further agrees that it will give written notice to Lender if Tenant voluntarily subordinates the Lease to any lien or encumbrance without Lender's prior written consent.

6. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute and be construed as one and the same instrument.

7. All remedies which Lender may have against Landlord provided herein, if any, are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between Lender and Landlord or others. If any party consists of multiple individuals or entities, each of same shall be jointly and severally liable for the obligations of such party hereunder.

8. All notices to be given under this Agreement shall be in writing and shall be deemed served upon receipt by the addressee if served personally or, if mailed, upon the first to occur of receipt or the refusal of delivery as shown on a return receipt, after deposit in the United States Postal Service certified mail, postage prepaid, addressed to the address of Landlord, Tenant or Lender appearing below, or, if sent by telegram, when delivered by or refused upon attempted delivery by the telegraph office. Such addresses may be changed by notice given in the same manner. If any party consists of multiple individuals or entities, then notice to any one of same shall be deemed notice to such party.

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

Property of Cook County Clerk's Office

judicial process) requiring the payment of money in the event of any default by Lender as Landlord under the Lease, and no other property or assets of Lender shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to the Lease.

5. Tenant agrees that no prepayment of rent or additional rent due under the Lease of more than one month in advance, and no amendment, modification, surrender or cancellation of the Lease, and no waiver or consent by Landlord under the terms of the Lease, shall be binding upon or as against Lender, as holder of the Mortgage/Deed of Trust, and as Landlord under the Lease if it succeeds to that position, unless consented to in writing by Lender. In addition, and notwithstanding anything to the contrary set forth in this Agreement, Tenant agrees that Lender, as holder of the Mortgage/Deed of Trust, and as Landlord under the Lease if it succeeds to that position, shall in no event have any liability for the performance or completion of any initial work or installations or for any loan or contribution or rent concession towards initial work, which are required to be made by Landlord (A) under the Lease or under any related Lease documents or (B) for any space which may hereafter become part of said Premises, and any such requirement shall be inoperative in the event Lender succeeds to the position of Landlord prior to the completion or performance thereof, unless Lender has consented to same in writing. Tenant further agrees that it will give written notice to Lender if Tenant voluntarily subordinates the Lease to any lien or encumbrance without Lender's prior written consent.

6. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute and be construed as one and the same instrument.

7. All remedies which Lender may have against Landlord provided herein, if any, are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between Lender and Landlord or others. If any party consists of multiple individuals or entities, each of same shall be jointly and severally liable for the obligations of such party hereunder.

8. All notices to be given under this Agreement shall be in writing and shall be deemed served upon receipt by the addressee if served personally or, if mailed, upon the first to occur of receipt or the refusal of delivery as shown on a return receipt, after deposit in the United States Postal Service certified mail, postage prepaid, addressed to the address of Landlord, Tenant or Lender appearing below, or, if sent by telegram, when delivered by or refused upon attempted delivery by the telegraph office. Such addresses may be changed by notice given in the same manner. If any party consists of multiple individuals or entities, then notice to any one of same shall be deemed notice to such party.

Lender's Address:

Nomura Asset Capital Corporation
Two World Financial Center
Building B, 21st Floor
New York, New York 10281-1198

Attention: Barry M. Funt, General Counsel

Tenant's Address:

Executive Greetings, Inc.
600 Academy Drive
Northbrook, Illinois 60062

Attention: Richard Willis, Vice President

Landlord's Address:

Academy Drive, L.L.C.
c/o First American Management, Inc.
115 6A West Shure Drive
Arlington Heights, Illinois 60004

Attention: Mark Jordan, Vice President/Managing Agent

9. This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Illinois.

10. This Agreement shall apply to, bind and inure to the benefit of the parties hereto and their respective successors and assigns. As used herein "Lender" shall include any subsequent holder of the Mortgage/Deed of Trust.

11. Tenant acknowledges that Landlord has assigned to Lender its right, title and interest in the Lease and to the rents, issues and profits of the Property and the Property pursuant to the Mortgage/Deed of Trust, and that Landlord has been granted the license to collect such rents provided no Event of Default has occurred under, and as defined in, the Mortgage/Deed of Trust. Tenant agrees to pay all rents and other amounts due under the Lease directly to Lender upon receipt of written demand by Lender, and Landlord hereby consents thereto. The assignment of the Lease to Lender, or the collection of rents by Lender pursuant to such assignment, shall not obligate Lender to perform Landlord's obligations under the Lease.

[NO FURTHER TEXT ON THIS PAGE]

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

NOMURA ASSET CAPITAL CORPORATION, a Delaware corporation

By: [Signature]
Name: Steven M. Gendron
Title: AVP

ACADEMY DRIVE, L.L.C.

[Signature]
managing member

EXECUTIVE GREETINGS, INC.

[Signature]

[insert state specific acknowledgments]

Property of Cook County Clerk's Office

STATE OF ILLINOIS)
) SS.
COUNTY OF Cook)

I, SHIRLEY D. PALMER, a Notary Public in and for said County in the State aforesaid, do hereby certify that Richard Willis, ^{an officer} ~~the managing member~~ of Executive Creative, Inc., an ~~Illinois limited liability~~ ^{Delaware} ~~company~~ ^{Corporation}, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such managing member, appeared before me this day in person and acknowledged that (s)he signed and delivered such instrument as his/her own free and voluntary act and as the free and voluntary act of said ~~limited liability company~~ ^{Corporation}, for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this 25th day of MARCH, 1998.

Shirley D. Palmer
Notary Public

My Commission expires:

2/17/00



STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

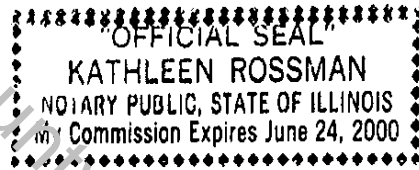
I, Kathleen Rossmann, Notary Public in and for said County in the State aforesaid, do hereby certify that Steven M. Greenbaum, the Vice President of Nomura Asset Capital Corporation, a Delaware corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such vice president, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his/her own free and voluntary act 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 this 31st day of March, 1998.

Kathleen Rossmann
Notary Public

My Commission expires:

June 24, 2000



STATE OF ILLINOIS)
) SS.
COUNTY OF Lake)

I, Gerald J. Smoller, Notary Public in and for said County in the State aforesaid, do hereby certify that Whigge Muzelle, the managing member of Academy Drive LLC, an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such managing member, appeared before me this day in person and acknowledged that (s)he signed and delivered such instrument as his/her own free and voluntary act and as the free and voluntary act of said limited liability company, for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this 1st day of April, 1998.

[Signature]

Notary Public

My Commission expires:

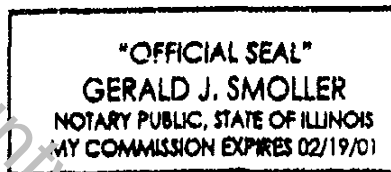


EXHIBIT A

LOTS 1, 2 AND 3 IN THE RESUBDIVISION OF PART OF LOT 4 IN BLOCK 3 IN THE FIRST RESUBDIVISION OF SKY HARBOR INDUSTRIAL PARK UNIT NO. 1, IN THE SOUTH 1/2 OF SECTION 5, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office

04-05-400-010

011

012

008