



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

99-0003

This Subordination, Attornment, and Non-Disturbance Agreement is made and entered into this 31 day of March 1999, by and between ~~Adel Partnership, d/b/a Hair Sensations Salon II~~ ("Tenant") and REILLY MORTGAGE GROUP, INC., its successors and assigns ("Lender"). In consideration of the mutual covenants and agreements herein contained, the parties do hereby covenant and agree as follows:

1. Tenant has entered into a Lease Agreement dated ~~February 11, 1995~~ ^{April 1993 (AM)} (the "Lease") with Commonwealth Apartments, an Illinois Limited Partnership by A & R Katz Management, Inc. as authorized agents, in connection with an apartment housing project commonly known as Commonwealth Apartments, located in Chicago, Illinois (the "Owner"), for the operation of a hair salon situated on said real estate (the "Real Estate"), which is legally described as set forth in Exhibit "A" hereto. DK
2. Lender has made a mortgage loan in the sum of \$3,200,000 (the "Loan"), secured by a mortgage (the "Mortgage") encumbering the Real Estate, to the Owner as Borrower. (S) TPEN
3. Tenant represents that Owner is not in default under the terms of the Lease.
4. The Lease is and shall be subject and subordinate to the Mortgage and to all renewals, modifications, consolidations, replacements and extensions thereof, to the full extent of the principal sum secured thereby and interest thereon.
5. In the event it should become necessary to foreclose the Mortgage, the Lender will not join the Tenant under the Lease in summary or foreclosure proceedings so long as the Tenant has not been adjudicated to be in default under any of the terms, covenants or conditions of the Lease.
6. In the event that the Lender shall, in accordance with the foregoing, succeed to the interest of the Owner under the Lease, the Lender agrees to be bound to the Tenant under all of the terms, covenants and conditions of the Lease, and the Tenant agrees, from and after such event, to attorn to the Lender and/or purchaser at any foreclosure sale of the Real Estate, all rights and obligations under the Lease to continue as though the interest of the Owner had not terminated or such foreclosure proceedings had not been brought. Such attornment shall be effective and self-operative without the execution of any further instrument on the part of either of the parties hereto. Tenant agrees, however, to execute and deliver at any time and from time to time, upon the request of Lender or of any holder(s) of any of the indebtedness or other obligations secured by the Mortgage or any such purchaser, any 14-28-316-001

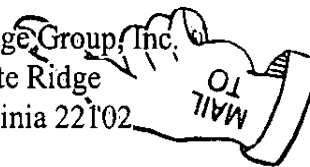
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instrument or certificate which, in the sole judgment of Lender or of such holder(s) or such purchaser, may be necessary or appropriate in any such foreclosure proceeding or otherwise to evidence such attornment.

7. If Lender shall succeed to the interest of Owner under the Lease in any manner, or if any purchaser acquires the Real Estate upon any foreclosure of the Mortgage or any trustee's sale under the Mortgage, Lender or such purchaser, as the case may be, in the event of attornment shall have the same remedies, by action or otherwise, in the event of any default by Tenant (beyond any period given Tenant to cure such default) in the payment of expenses or in the performance of any of the terms, covenants and conditions of the Lease on Tenant's part to be performed that Owner had or would have had if Lender or such purchaser had not succeeded to the interest of Owner. The Tenant shall have the same remedies against the Lender for the breach of an agreement contained in the Lease that the Tenant might have had against the Owner if the Lender had not succeeded to the interest of the Owner; provided, however, that the Lender shall not be:
- liable for any act or omission of any prior Owner; or
 - subject to any offsets or defenses which the Tenant might have against any prior Owner; or
 - bound by any expenses which the Tenant might have paid for more than the current period to any prior Owner.
8. Nothing herein contained is intended, nor shall it be construed, to abridge or adversely affect any right or remedy of Owner or Tenant under the Lease in the event of any default by the other party in the performance of any of the terms, covenants or conditions of the Lease.
9. Any notice or communication required or permitted hereunder shall be given in writing, sent by United States certified mail, return receipt requested, postage prepaid, addressed as follows:

To Lender:

Reilly Mortgage Group, Inc.
2000 Corporate Ridge
McLean, Virginia 22102



To Tenant: *ADEL'S*

Hair Sensations Salon II
Adel Madi
445 W. Diversey Pkwy.
Chicago, IL 60614

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or to such other address as hereafter shall be designated in writing by the applicable party and shall be deemed to have been given as of the date of receipt.

- 10. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest. This Agreement shall inure to the benefit of, and be binding upon the parties hereto, their successors and assigns, and any purchaser or purchasers at a foreclosure sale with respect to the Real Estate, and their respective heirs, personal representatives, successors and assigns.

TENANT:

A.M. ~~KIM AND ADEL PARTNERSHIP~~
 ADELS ~~DETA~~ HAIR SENSATIONS SALON II

By: Adel Madis

STATE OF ILLINOIS, Cook COUNTY ss:

On this 17 day of March, 1999, before me personally came Adel Madis to me known, who, being by me duly sworn, did depose and state that he is a _____ of _____, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal, that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by order of the Board of Directors of said corporation.

Margaret E. Semmelhack
 Notary Public

My Commission Expires:

“OFFICIAL SEAL”
 Margaret E. Semmelhack
 Notary Public, State of Illinois
 My Commission Exp. 01/27/2001

Margaret E. Semmelhack
 Com. Exp. 01/27/2001

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LENDER:

REILLY MORTGAGE GROUP, INC.

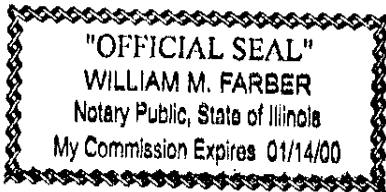
By: Susan Blumberg
Susan Blumberg, its Vice President

STATE OF ILLINOIS, Cook COUNTY ss:

On this 6 day of April, 1999, before me personally came Susan Blumberg, to me known, who, being by me duly sworn, did depose and state that she is the Vice President of Reilly Mortgage Group, Inc., the corporation described in and which executed the above instrument; that she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that she signed her name thereto by order of the Board of Directors of said corporation.

[Signature]
Notary Public

My Commission Expires:



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EXHIBIT "A"

LEGAL DESCRIPTION

LOT 62 IN ANDREWS SPAFFORD AND COLEHOUR'S SUBDIVISION BLOCKS ONE (1) AND TWO (2) IN OUTLOT "A" IN WRIGHTWOOD, A SUBDIVISION OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office

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