



Prepared by f  
RECORDING REQUESTED AND  
WHEN RECORDED RETURN TO:  
ASSOCIATED BANK/  
GLADSTONE NORWOOD  
5299 NORTH CENTRAL AVENUE  
CHICAGO, IL 60630-4689

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

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (the "Agreement") is made and entered into this 14<sup>th</sup> day of ~~March~~ April, 1999 by and between WILLIAMS-SONOMA STORES, INC. ("Tenant"), ASSOCIATED BANK/GLADSTONE NORWOOD ("Lender") and TRI-EQUITIES, L.L.C. ("Landlord").

**RECITALS:**

WHEREAS, Landlord and Tenant executed a Lease dated as of ~~March~~ April 14, 1999, (the "Lease") in favor of Tenant, a memorandum of which may be recorded simultaneously herewith, covering a certain Demised Premises therein described located on a parcel of real estate, a legal description of which is attached hereto and incorporated herein by this reference as Exhibit A (said parcel of real estate and the Demised Premises being sometimes collectively referred to herein as the "Property"); and

WHEREAS, Landlord has executed a Convertible Construction Mortgage (the "Mortgage") dated March 4, 1998 and recorded on March 10, 1998 as Document No. 98187160 in Cook County, State of Illinois, in favor of Lender, payable upon the terms and conditions described therein; and

WHEREAS, it is a condition to said loan that the Mortgage shall unconditionally be and remain at all times, a lien or charge upon the Property, prior and superior to the Lease and to the leasehold estate created thereby; and

WHEREAS, the parties hereto desire to assure Tenant's possession and control of the Property under the Lease upon the terms and conditions therein contained:

NOW, THEREFORE, for and in consideration of the mutual covenants and premises herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged and confessed by the parties hereto, the parties hereto do hereby agree as follows:

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AGREEMENT:

1. The Lease is and shall be subject and subordinate to the Mortgage, and to all renewals, modifications, consolidations, replacements and extensions thereof, and to all future advances made thereunder.

2. Should Lender become the owner of the Property, or should the Property be sold by reason of foreclosure or other proceedings brought to enforce the Mortgage which encumbers the Property, or should the Property be transferred by deed in lieu of foreclosure, or should any portion of the Property be sold under a trustee's sale, the Lease shall be recognized and shall continue in full force and effect as a direct lease between the then owner of the Property and Tenant, upon and subject to all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining, including any extensions therein provided and Tenant shall be permitted to remain in undisturbed possession for the remainder of the term of the Lease, provided Tenant is not in default beyond applicable notice and cure periods. Tenant does hereby agree to attorn to Lender or to any such owner as its landlord, and Lender hereby agrees that it will accept such attornment.

3. Notwithstanding any other provision of this Agreement, Lender shall not be (a) liable for any default of any landlord under the Lease (including Landlord), except that Lender agrees to cure any default of Landlord that is continuing as of the date Lender forecloses the Property within thirty (30) days from the date Tenant delivers written notice to Lender of such continuing default unless such default is of such a nature to reasonably require more than thirty (30) days to cure and then Lender shall be permitted such additional time as is reasonably necessary to effect such cure, provided Lender diligently and continuously proceeds to cure such default; (b) subject to any offsets (except as provided in Section 4.5 of the Lease) or defenses which have accrued prior to the date of foreclosure, unless Tenant shall have delivered to Landlord written notice of the default which gave rise to such offset or defense and permitted Lender the same right to cure such default as permitted Landlord under the Lease; (c) bound by any Rent that Tenant may have paid under the Lease more than one month in advance; (d) bound by any amendment or modification of a material term of the Lease hereafter made without Lender's prior written consent (which shall not be unreasonably withheld; the parties acknowledge that any reduction in the Term of the Lease or any reduction of Fixed Rent or other amounts due to Landlord under the Lease shall be deemed material); and (e) responsible for the return of any security deposit delivered to Landlord under the Lease and not subsequently received by Lender.

4. If Lender sends written notice to Tenant to direct its Rent payments under the Lease to Lender instead of Landlord, then Tenant agrees to follow the instructions set forth in such written instructions and deliver Rent payments to Lender, however, Landlord and Lender agree that Tenant shall be credited under the Lease for any Rent payments sent to Lender pursuant to such written notice.

5. All notices which may or are required to be sent under this Agreement shall be in writing and shall be sent by first-class certified U.S. mail, postage prepaid, return receipt

requested or overnight courier service and sent to the party at the address appearing below or such other address as any party shall hereafter inform the other party by written notice given as set forth above:

Tenant: Williams-Sonoma Stores, Inc.  
Attn: Legal Notice Dept.  
3250 Van Ness Avenue  
San Francisco, CA 94109  
Attn: Legal Notice Department

Landlord: Tri-Equities, L.L.C.  
c/o Mr. Richard Jablonski  
630 Laurel Avenue  
Wilmette, IL 60091

Lender: Associated Bank/Gladstone Norwood  
5200 North Central Avenue  
Chicago, IL 60630-4689

All notices delivered as set forth above shall be deemed effective either when received or rejected by the recipient.

6. The Mortgage shall not cover or encumber and shall not be construed as subjecting in any manner to the lien thereof any of Tenant's Property (as defined in the Lease) at any time placed or installed in the Demised Premises. 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 Lease.

7. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors in interest, heirs and assigns and any subsequent owner of the Property secured by the Mortgage.

8. Should any action or proceeding be commenced to enforce any of the provisions of this Agreement or in connection with its meaning, the prevailing party in such action shall be awarded, in addition to any other relief it may obtain, its reasonable costs and expenses, not limited to taxable costs, and reasonable attorneys' fees.

9. 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 Mortgage, including, but not limited to, a foreclosure proceeding.

# UNOFFICIAL COPY

99362703

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

LENDER:

Associated Bank/Gladstone Norwood

By: James H. Olis  
Name: James H. Olis  
Title: Executive Vice President

TENANT:

Williams-Sonoma Stores, Inc.

By: \_\_\_\_\_  
President

LANDLORD:

Tri-Equities, L.L.C.,  
an Illinois limited liability company

By: Richard Jablonski  
Name: RICHARD JABLONSKI  
Title: MEMBER

Joseph Hassen  
Joseph Hassen  
Member

# UNOFFICIAL COPY

99362703

of the terms, covenants, conditions and agreements set forth in the Mortgage, including, but not limited to, a foreclosure proceeding.

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

LENDER:

Associated Bank/Gladstone Norwood

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

TENANT:

Williams-Sonoma Stores, Inc.

By:  \_\_\_\_\_  
Arthur Tropp, Vice President - Real Estate

LANDLORD:

Tri-Equities, L.L.C.,  
an Illinois limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

# UNOFFICIAL COPY

EXHIBIT A

99362703

LOTS 12 TO 15 IN JOHN A. YALES RESUBDIVISION OF BLOCK 40 IN ELSTON'S ADDITION TO CHICAGO, IN SECTION 5, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

*PINS 17-05-209-001/002*

*865 W. North Ave., Chicago*

# UNOFFICIAL COPY

99362703

STATE OF ILLINOIS )  
 )  
COUNTY OF COOK ) SS.

I, Carmela M. Zupo, a Notary Public in and for and residing in said County, in the State aforesaid, DO HEREBY CERTIFY THAT James H. Olis, personally known to me to be the Exec. Vice Pres. of ASSOCIATED BANK/ GLADSTONE NORWOOD, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 1st day of April, 1999.

Carmela M. Zupo  
Notary Public

STATE OF ILLINOIS )  
 )  
COUNTY OF COOK ) SS.

I, Dennis M. Wilson, a Notary Public in and for and residing in said County, in the State aforesaid, DO HEREBY CERTIFY THAT Richard Jablonski and Joseph Hassen personally known to me to be the Members of TRI-EQUITIES, L.L.C., who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 14th day of April, 1999.

Dennis M. Wilson  
"OFFICIAL SEAL"  
DENNIS M. WILSON  
Notary Public, State of Illinois  
My Commission Expires 12/27/01

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

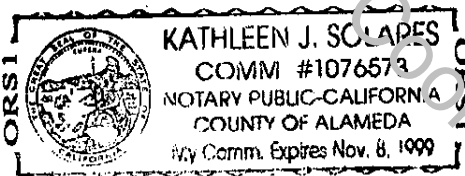
State of California }
County of San Francisco } ss.

On 3/29/99 Date, before me, Kathleen J. Solares Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Arthur Tropp Name(s) of Signer(s)

- personally known to me
proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Document Date: Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer

Signer's Name:

- Individual
Corporate Officer — Title(s):
Partner — Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other:

Signer Is Representing:

RIGHT THUMBPRINT OF SIGNER

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