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MICHAEL L. BROWN
RECORDER

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CMU 20058476

RECOGNITION AGREEMENT

This RECOGNITION AGREEMENT (the "Agreement") is made as of April 18, 2006, by and between the CITY OF WHITING, an Indiana municipal corporation (the "Lessor"), and LASALLE BANK NATIONAL ASSOCIATION, a national banking association (the "Leasehold Mortgagee").

CHICAGO TITLE INSURANCE COMPANY

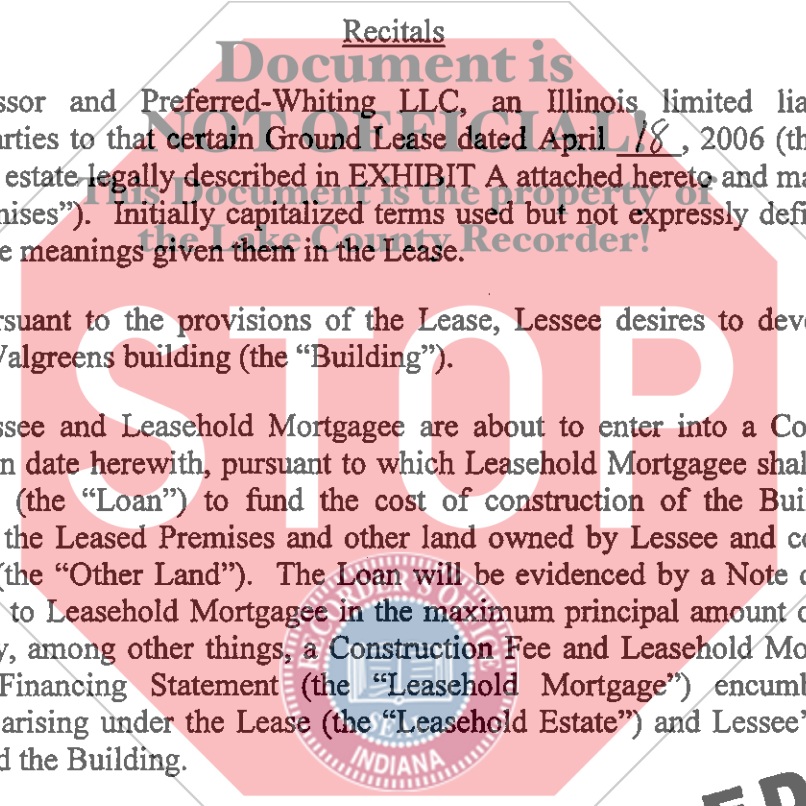
Recitals

A. Lessor and Preferred-Whiting LLC, an Illinois limited liability company ("Lessee"), are parties to that certain Ground Lease dated April 18, 2006 (the "Lease") with respect to the real estate legally described in EXHIBIT A attached hereto and made a part hereof (the "Leased Premises"). Initially capitalized terms used but not expressly defined herein shall have the respective meanings given them in the Lease.

B. Pursuant to the provisions of the Lease, Lessee desires to develop the Leased Premises with a Walgreens building (the "Building").

C. Lessee and Leasehold Mortgagee are about to enter into a Construction Loan Agreement of even date herewith, pursuant to which Leasehold Mortgagee shall lend to Lessee up to \$4,850,000 (the "Loan") to fund the cost of construction of the Building and other improvements on the Leased Premises and other land owned by Lessee and contiguous to the Leased Premises (the "Other Land"). The Loan will be evidenced by a Note dated April 20, 2006 from Lessee to Leasehold Mortgagee in the maximum principal amount of the Loan, and will be secured by, among other things, a Construction Fee and Leasehold Mortgage, Security Agreement and Financing Statement (the "Leasehold Mortgage") encumbering Lessee's leasehold interest arising under the Lease (the "Leasehold Estate") and Lessee's fee interest in the Other Land and the Building.

D. Leasehold Mortgagee requires that this Agreement be executed and delivered by Lessor as a condition to Leasehold Mortgagee's funding of the Loan.



FILED
AUG - 9 2006
PEGGY HOLINGA KATONA
LAKE COUNTY AUDITOR

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Agreements

In consideration of the foregoing Recitals, which by this reference are made a part of this Agreement, the mutual agreements set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Leasehold Mortgagee agree as follows:

1. Leasehold Mortgage. The Leasehold Mortgage constitutes a "First Leasehold Mortgage" as defined in the Lease and the Leasehold Mortgagee constitutes a "First Leasehold Mortgagee" as defined in the Lease. Lessor acknowledges and agrees that:
 - a. Lessor has received a copy of the Leasehold Mortgage as required by Section 19.3 of the Lease;
 - b. Lessor has received notice of the Leasehold Mortgage as required by Section 19.3 and shall have such duties and obligations with respect thereto as set forth in this Agreement and in the Lease.
2. Disbursement of Proceeds. Notwithstanding anything in the Lease, in the event of damage or destruction to or condemnation of the Leased Premises, any and all insurance proceeds shall be disbursed in accordance with the Leasehold Mortgage.
3. Subordination of Lease. The Lease shall at all times be subordinate to the lien of the Leasehold Mortgage.
4. No Merger. So long as any Leasehold Mortgage is in existence, unless otherwise consented to in writing by the Leasehold Mortgagee, the fee title to the Leased Premises and the Leasehold Estate shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and the Leasehold Estate by Lessor, by Lessee or by a third party, by purchase or otherwise.
5. Miscellaneous.
 - (a) Headings and captions are inserted for reference only and shall not be deemed to limit or construe the paragraphs or sections to which they apply or otherwise affect the interpretation thereof.
 - (b) The terms "hereby," "hereto," "herein," "hereunder" and similar terms refer to this Agreement as a whole, and not to any specific paragraph or section unless expressly stated otherwise. "At any time" means at any time and from time to time, "any" means any and all, "including" means including but not limited to, "may" is permissive and not obligatory, and "will" and "shall" are each mandatory. References to paragraphs or sections are references to paragraphs and sections of this Agreement unless expressly provided otherwise.
 - (c) Words of the masculine, feminine or neuter gender shall mean and include the correlative words of other genders, and words importing the singular number shall mean and include the plural number and vice versa.

(d) Unless otherwise indicated, all references to "days" shall mean calendar days. Whenever the time for performance of a covenant or condition falls on a Saturday, Sunday or legal or banking holiday in the State of Illinois, such time for performance shall be extended to the next business day. All references to "business days" shall mean days on which state and national banks situated in the State of Illinois are required to be open for business.

(e) Definitions that identify documents shall be deemed to include all amendments and supplements to such documents from the date thereof, and all future amendments and supplements thereto entered into from time to time to satisfy the requirements of this Agreement or otherwise with the consent of the Leasehold Mortgagee.

(f) This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana, without regard to conflict of laws rules, policies or principles.

(g) Time is of the essence of this Agreement.

(h) This Agreement shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared primarily by counsel for one of the parties, it being recognized that both Lessor and Leasehold Mortgagee have contributed substantially and materially to the preparation of this Agreement.

(i) Each reference to "Dollars" or "\$" refers to lawful currency of the United States of America.

(j) If any provision of this Agreement or the application of any such provision to any person or circumstance, for any reason and to any extent, shall be held to be invalid or unenforceable neither the remainder of this Agreement nor the application of such provision to any other person or circumstance shall be affected thereby, but rather the same shall be enforced to the greatest extent permitted by law.

(k) This Agreement may be executed, acknowledged and delivered in any number of counterparts, any or all of which may contain the signatures of less than all of the parties, and all of which shall be construed together as but a single instrument.

(l) All Notices shall be delivered in accordance with Section 20.1 of the Lease. The addresses of Leasehold Mortgagee is:

LaSalle Bank National Association
Suite 1225
135 South LaSalle Street
Chicago, Illinois 60603
Attn: Mark Eisenmann

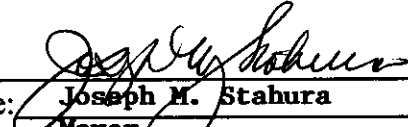
With a copy to:

Bell, Boyd & Lloyd, LLC
70 West Madison Street
Suite 3100
Chicago, Illinois 60602
Attn: Sandra L. Waldier

The parties have executed this Agreement as of the date first above written.


LESSOR:

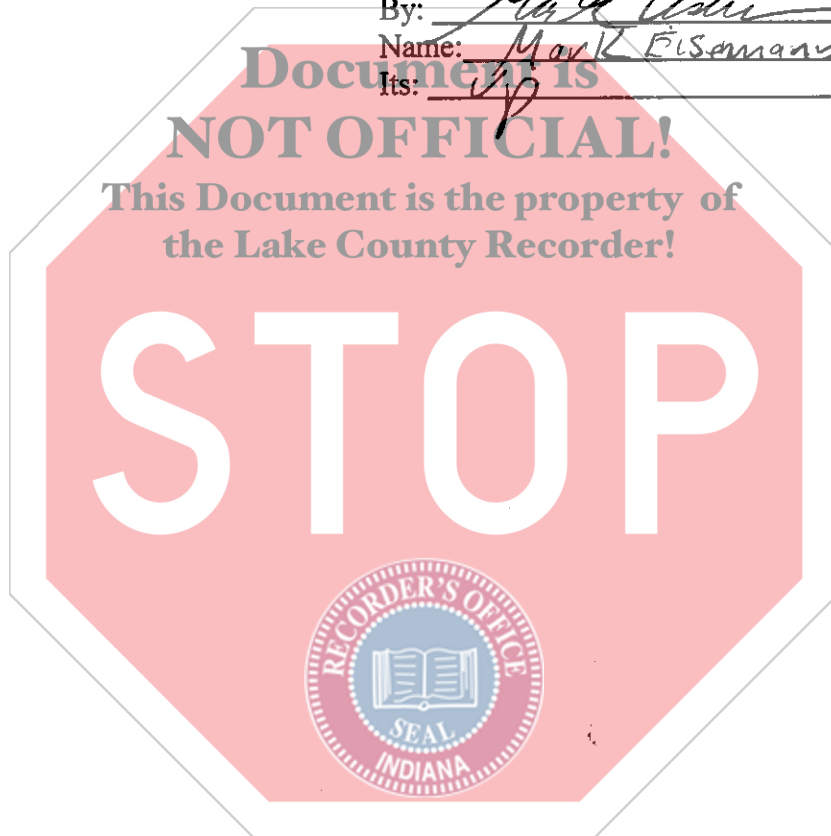
THE CITY OF WHITING, an Indiana municipal corporation

By: 
Name: Joseph M. Stahura
Its: Mayor

LEASEHOLD MORTGAGEE:

LASALLE BANK NATIONAL ASSOCIATION

By: 
Name: Mark Biseman
Its: VP



STATE OF INDIANA)
)
) SS.
COUNTY OF LAKE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Joseph M. Stahura the Mayor of the City of Whiting, an Indiana municipal corporation, ("Company"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as Mayor, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, the free and voluntary act of said Corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 18th day of April, 2006.

Carol R. Stelow

Notary Public

My Commission Expires:
01/29/12

Carol R. Stelow

STATE OF ILLINOIS)
)
) SS.
COUNTY OF COOK)

Document is NOT OFFICIAL!

I, MARIA T. ESPARZA a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that MARK EISENMAN of LaSalle Bank National Association, a national banking association, 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 signed and delivered the said instrument as his free and voluntary act, and as the free and voluntary act of said LaSalle Bank National Association, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 19th day of April, 2004.

Maria T. Esparza
Notary Public

My Commission Expires:
4/29/07



After recording return to:

Bell, Boyd & Lloyd LLC
70 West Madison Street
Suite 3100
Chicago, Illinois 60602
Attn: Sandra L. Waldier, Esq.

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. Stacy Priggs

EXHIBIT A

Legal Description of Premises

All of that part of a 16 foot wide platted alley generally lying between Lots 20 through 30, and Lots 72 through 77, all as shown in Whittings, a Subdivision of the Southwest quarter of the Northeast quarter of Section 7, Township 37 North, Range 9 West of the 2nd Principal Meridian, lying North of the Center of Indianapolis Boulevard, in the City of Whiting, as per Plat thereof, recorded in Plat Book 2, Page 52, in the Office of the Recorder of Lake County, Indiana, the North line of said part being the North line of said Lot 77 extended West and the South line of said part being the South line of the North 15 feet of said Lot 72 extended Southwest.

