

RECORDATION REQUESTED BY:

Heller First Capital Corp.
500 West Monroe Street
31st Floor
Chicago, IL 60661



WHEN RECORDED MAIL TO:

Heller First Capital Corp.
500 West Monroe Street, 31st Floor
Central Documentation dept.
Chicago, IL 60661

HFCC Loan No. 9846

FOR RECORDER'S USE ONLY

This Subordination Agreement prepared by:

HELLER FIRST CAPITAL CORP.
500 WEST MONROE STREET, 31st Floor
CHICAGO, ILLINOIS 60661

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BMR*

SUBORDINATION AGREEMENT - LEASE

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION OF LEASE AGREEMENT dated 12-31, 1999 is entered into between CHICAGO TITLE LAND TRUST COMPANY, SUCCESSOR TRUSTEE TO THE CHICAGO TRUST COMPANY AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 1, 1998 AND KNOWN AS TRUST NUMBER 1105894 ("Lessor"), Burton Place, Inc., an Illinois corporation ("Lessee") and Heller First Capital Corp. ("Lender").

LEASE. Lessee has executed one or more leases dated June 9, 1998, of the following described property (the "Subordinated Lease") which lease was recorded in Cook County, State of Illinois as follows:

Memorandum of Lease recorded concurrently herewith.

REAL PROPERTY DESCRIPTION. The Lease covers the following described real property (the "Real Property") located in Cook County, State of Illinois:

For Legal Description, see Exhibit 'A' attached hereto and made a part hereof.

The Real Property or its address is commonly known as 1447 N. Wells Street, Chicago, Illinois 60610. The Real Property tax identification number is 17-04-205-055-1001; 17-04-205-055-1002; 17-04-205-055-1003.

REQUESTED FINANCIAL ACCOMMODATIONS. Lessor and Lessee each want Lender to provide

BOX 333

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am up/cw

financial accommodations to Lessor (the "Superior Indebtedness") in the form of (a) new credit or loan advances, (b) an extension of time to pay or other compromises regarding all or part of Lessor's present indebtedness to Lender, or (c) other benefits to Lessor. Now, therefore, Lessor and Lessee each represent and acknowledge to Lender that Lessee will benefit as a result of these financial accommodations from Lender to Lessor, and Lessee acknowledges receipt of valuable consideration for entering into this Agreement.

LENDER'S LIEN. As a condition to the granting of the requested financial accommodations, Lender has required that its mortgage, deed of trust or other lien on the Real Property ("Lender's Lien") be and remain superior to Lessee's interest in the Subordinated Lease.

NOW THEREFORE THE PARTIES TO THIS AGREEMENT HEREBY AGREE AS FOLLOWS:

SUBORDINATION All of Lessee's right, title and interest in and to the Subordinated Lease and the Real Property is hereby subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is hereby agreed that Lender's Lien shall be and remain, at all times, prior and superior to Lessee's interests in the Subordinated Lease and the Real Property. Lessee also subordinates to Lender's Lien all other Security Interests in the Real Property held by Lessee, whether now existing or hereafter acquired. The words "Security Interest" mean and include without limitation any type of collateral security, whether in the form of a lien, charge, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

LESSEE'S REPRESENTATIONS AND WARRANTIES. Lessee represents and warrants to Lender that: (a) no representations or agreements of any kind have been made to Lessee which would limit or qualify in any way the terms of this Agreement; (b) this Agreement is executed at Lessor's request and not at the request of Lender; (c) Lender has made no representation to Lessee as to the creditworthiness of Lessor; and (d) Lessee has established adequate means of obtaining from Lessor on a continuing basis information regarding Lessor's financial condition. Lessee agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Lessee's risks under this Agreement, and Lessee further agrees that Lender shall have no obligation to disclose to Lessee information or material acquired by Lender in the course of its relationship with Lessor.

LESSEE'S WAIVERS. Lessee waives any right to require Lender: (a) to make, extend, renew, or modify any loan to Lessor or to grant any other financial accommodations to Lessor whatsoever; (b) to make any presentment, protest, demand, or notice of any kind, including notice of any non payment of any Superior Indebtedness secured by Lender's Lien, or notice of any action or nonaction on the part of Lessor, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (c) to resort for payment or to proceed directly or at once against any person, including Lessor; (d) to proceed directly against or exhaust any collateral held by Lender from Lessor, any other guarantor, or any other person; (e) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Lessor or to comply with any other applicable provisions of the Uniform Commercial Code; (f) to pursue any other remedy within Lender's power; or (g) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

LENDER'S RIGHTS. Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Agreement. In particular, without limitation, Lender may, without notice of any kind to Lessee, (a) make one or more additional secured or unsecured loans to Lessor; (b) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part thereof, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (c) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (d) release, substitute, agree not to sue, or deal with any one or more of Lessor's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (e) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (f) apply such security and direct the order or manner of sale thereof, as Lender in its discretion may determine; and (g) assign this Agreement in whole or in part.

DEFAULT BY BORROWER. If Lessor becomes insolvent or bankrupt, this Agreement shall remain in full force and effect. Any default by Lessor under the terms of the Subordinated Lease also shall be a default under the terms of the Superior Indebtedness to Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Applicable Law. This Agreement has been delivered to Lender and accepted by Lender in the State of Illinois. If there is a lawsuit, Lessee and Lessor agree upon Lender's request to submit to the jurisdiction of the Courts of Cook County, State of Illinois. Lender, Lessee and Lessor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender, Lessee or Lessor against the other. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. No provision contained in this Agreement shall be construed (a) as requiring Lender to grant to Lessor or to Lessee any financial assistance or other accommodations, or (b) as limiting or precluding Lender from the exercise of Lender's own judgment and discretion about amounts and times of payment in making loans or extending accommodations to Lessor.

Amendments. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless made in writing and signed by Lender, Lessor, and Lessee.

Attorneys' Fees; Expenses. Lessee and Lessor agree to pay upon demand all of Lender's costs and expenses, including attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Lessee and Lessor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Lessee and Lessor also shall pay all court costs and such additional fees as may be directed by the court.

Successors. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement, and the covenants of Lessor and Lessee herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom

Lender may transfer any or all of the Superior Indebtedness.

Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver or such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Lessee, shall constitute a waiver of any of Lender's rights or of any of Lessee's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

EACH PARTY TO THIS SUBORDINATION AGREEMENT - LEASE ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH PARTY AGREES TO ITS TERMS.

BORROWER:

CHICAGO TITLE LAND TRUST COMPANY, SUCCESSOR TRUSTEE TO THE CHICAGO TRUST COMPANY AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 1, 1998 AND KNOWN AS TRUST NUMBER 1105894.

SEE ATTACHED EXCULPATORY

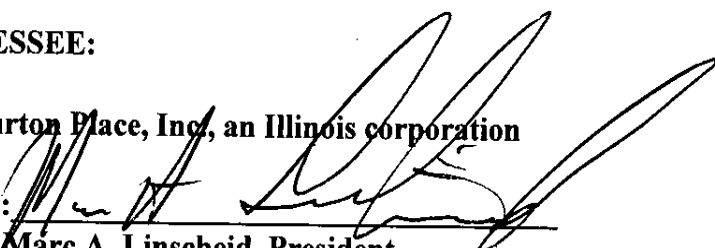
By: _____
CLAUSE FOR SIGNATURE

Name: _____

Title _____

LESSEE:

Burton Place, Inc., an Illinois corporation

By: 

Marc A. Linscheid, President

LENDER:

Heller First Capital Corp.

By: 

Authorized Officer

EXCULPATORY CLAUSE FOR CHICAGO TITLE LAND TRUST COMPANY, AS TRUSTEE UNDER TRUST #1105894 ATTACHED TO AND MADE A PART OF THE SUBORDINATION AGREEMENT - LEASE DATED DECEMBER 31, 1999, TO HELLER FIRST CAPITAL CORP.

It is expressly understood and agreed by and between the parties hereto, anything to the contrary notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee while in form purporting to be the warranties, indemnities, representations, covenants, undertakings and agreements of said Trustee are nevertheless each and every one of them, made and intended not as personal warranties, indemnities, representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally but are made and intended for the purpose of binding only that portion of the trust property specifically described herein, and this instrument is executed and delivered by said Trustee not in its own right, but solely in the exercise of the powers conferred upon it as such Trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against CHICAGO TITLE LAND TRUST COMPANY, on account of this instrument or on account of any warranty, indemnity, representation, covenant or agreement of the said Trustee in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released.

Date: DECEMBER 31, 1999

CHICAGO TITLE LAND TRUST COMPANY, as Trustee
Under Trust No. 1105894

By:

Sheila Dausgott
Assistant Vice President

Attest:

By:

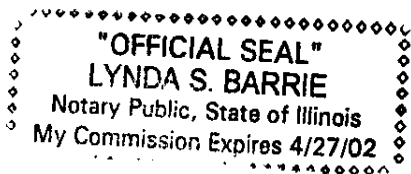
[Signature]
Assistant Secretary



State of Illinois
County of Cook SS.

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that the above named Assistant Vice President and Assistant Secretary of CHICAGO TITLE LAND TRUST COMPANY, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Vice President and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Company for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that the said Assistant Secretary, as custodian of the corporate seal of said Company, caused the corporate seal of said Company to be affixed to said instrument as said Assistant Secretary's own free and voluntary act and as the free and voluntary act of said Company for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this DECEMBER 31, 1999



Lynda S. Barrie
NOTARY PUBLIC

UNOFFICIAL COPY

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Exhibit "A"
(Legal Description)

PARCEL 1:

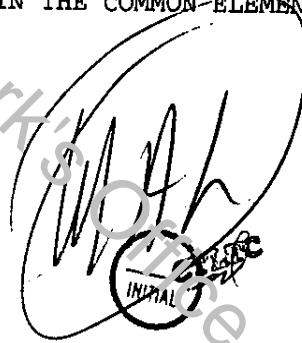
UNIT STORE IN THE BURTON COURT CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: LOT 17 IN J. F. STARR'S RESUBDIVISION OF LOTS 114, 115 AND 116 OF BRONSON'S ADDITION TO CHICAGO IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED AS EXHIBIT 'A' TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT 25557669, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS

PARCEL 2:

UNIT #2 IN THE BURTON COURT CONDOMINIUM AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: LOT 17 IN J. F. STARR'S RESUBDIVISION OF LOTS 114, 115, AND 116 OF BRONSON'S ADDITION TO CHICAGO IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS WHICH SURVEY IS ATTACHED AS EXHIBIT 'A' TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT 25557669, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS

PARCEL 3:

UNIT 3 IN BURTON COURT CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: LOT 17 IN J. F. STARR'S RESUBDIVISION OF LOTS 114, 115 AND 116 OF BRONSON'S ADDITION TO CHICAGO IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED AS EXHIBIT 'A' TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT 25557669, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS

A large, stylized handwritten signature is written over a circular stamp. The stamp contains the word "INITIAL" and some illegible markings.

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Illinois)
COUNTY OF Cook) ss.

On this day before me, the undersigned Notary Public, personally appeared Marc L. Linscheid, to me known to be the individual described in and who executed the Subordination Agreement, and acknowledged that he or she signed the Agreement as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 12-31 day of, 1999

By Janet Johnson West

Notary Public in and for the State of ILLINOIS

My commission expires _____



CORPORATE ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____)ss

On this _____ day of _____, 19 _____, before me, the undersigned Notary Public, personally appeared Marc A. Linscheid, President of Burton Place, Inc., an Illinois corporation, and known to me to be authorized agents of the corporation that executed the Subordination Agreement and acknowledged the Agreement to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Agreement and in fact executed the Agreement on behalf of the corporation.

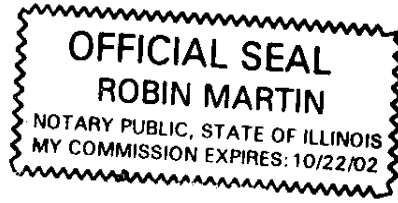
By _____

Notary Public in and for the State of _____

My commission expires _____

LENDER ACKNOWLEDGMENT

STATE OF Illinois)
COUNTY OF Cook) SS.



On this 31st day of December, 1999 before me, the undersigned Notary Public, personally appeared Marilyn P. Cappington and known to me to be the AVP authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By Robin Martin

Notary Public in and for the State of Illinois

My commission expires 10/22/02

Notary Public of Cook County Clerk's Office